

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 3

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> 2. NAME OF OPERATOR: SHENANDOAH ENERGY INC. 3. ADDRESS OF OPERATOR: 11002 E. 17500 W. CITY VERNAL STATE UT ZIP 84078 4. LOCATION OF WELL (FOOTAGES): AT SURFACE: 2172' FNL, 2210' FWL NESW AT PROPOSED PRODUCING ZONE: SAME 13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: MILES SOUTH WEST FROM RED WASH UNIT 14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 2172' ± 17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 4000' ± 20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5218.9' GR		5. LEASE DESIGNATION AND SERIAL NUMBER: U-05619T ML-47040 6. IF INDIAN ALLOTTEE OR TRIBE NAME: N/A 7. UNIT OF CA AGREEMENT NAME: N/A 8. WELL NAME and NUMBER: WV #11W-36-7-21 9. FIELD AND POOL, OR WILDCAT: UNDESIGNATED 10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 7S 21E 11. COUNTY: UINTAH 12. STATE: UT 15. NUMBER OF ACRES IN LEASE: 602 16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 18. PROPOSED DEPTH: 8890' 21. APPROXIMATE DATE WORK WILL START: ASAP 19. BOND DESCRIPTION: 159261960 22. ESTIMATED DURATION:
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23 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4"	9 5/8"	K-55	36	450'	PREMIUM PLUS	119	1.18	15.6 ppg
7 7/8"	4 1/2"	N-80	11.6	1500'	PREMIUM PLUS	1717	1.18	12 ppg
7 7/8"	4 1/2"	J-55	11.6	TD	PREMIUM PLUS	123	1.18	14.5 ppg

24 ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|---|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OW |

NAME (PLEASE PRINT) <u>JOHN BUSCH</u>	TITLE <u>RED WASH OPERATIONS REPRESENTATIVE</u>
SIGNATURE <u>John Busch</u>	DATE <u>May 2-01</u>

(This space for State use only)

API NUMBER ASSIGNED: <u>43-047-34067</u>	APPROVAL: <u>RECEIVED</u>
--	---------------------------

(5/2000)

(See Instruction on Reverse Side)

MAY 11 2001
DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/07/2001

API NO. ASSIGNED: 43-047-34067

WELL NAME: WV 11W-36-7-21

OPERATOR: SHENANDOAH ENERGY INC (N4235)

CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

NESW 36 070S 210E

SURFACE: 2172 FSL 2210 FWL

BOTTOM: 2172 FSL 2210 FWL

UINTAH

UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	RAM	5/30/01
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ~~U-0561ST~~ ML-47040 fe

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 159261960)
☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190-5 (B) or 190-3
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

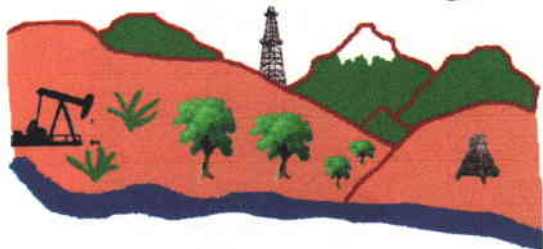
☐ R649-2-3. Unit
☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
☐ R649-3-11. Directional Drill

COMMENTS:

Need Basity. (05-17-01)
Need "Ex. Loc" info. (Rec'd 5-23-01)

STIPULATIONS:

① SURFACE Cement STIP.
2 - Spacing Stip.
③ STATEMENT OF BASIS



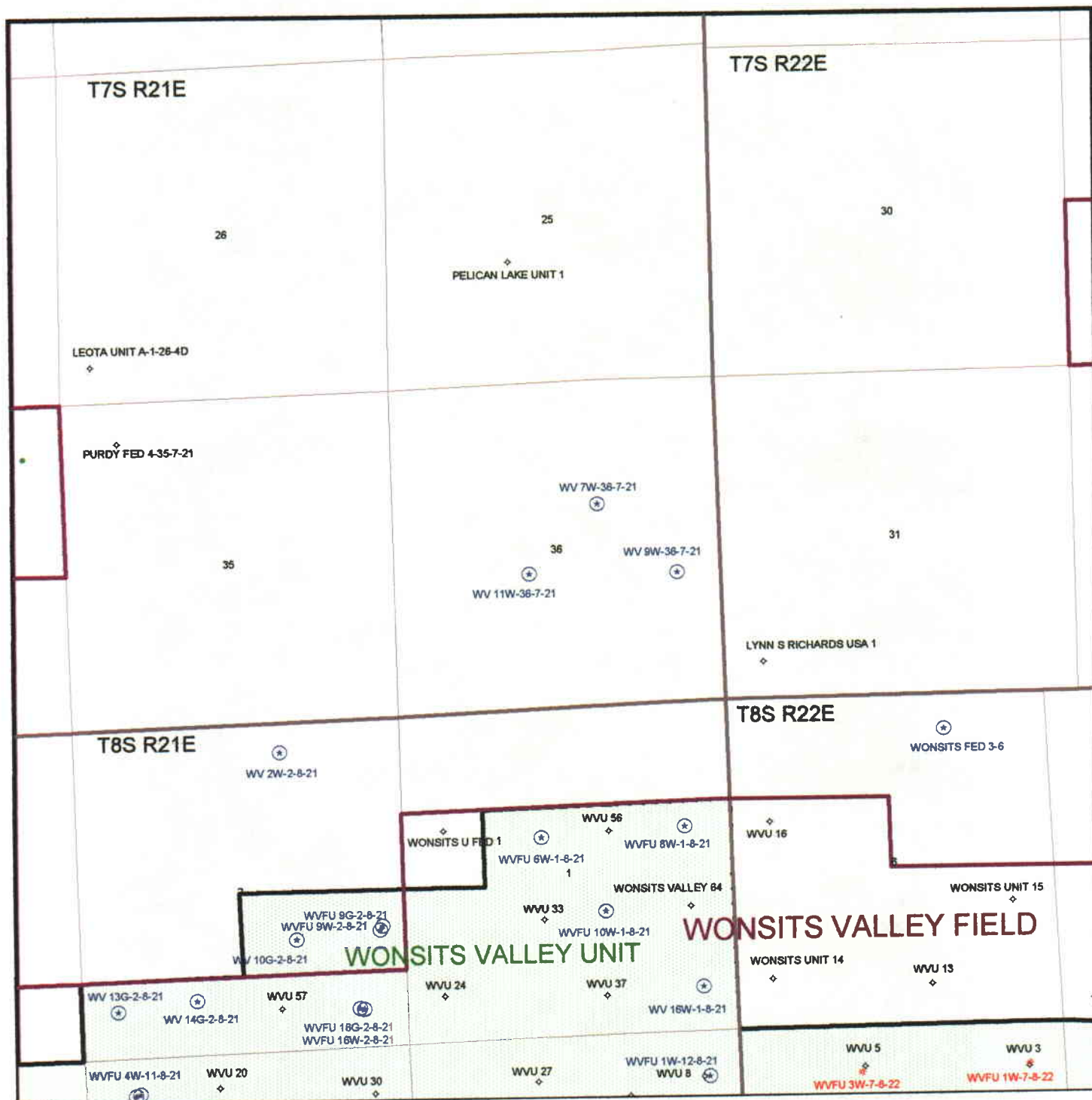
Utah Oil Gas and Mining

OPERATOR: SHENANDOAH ENERGY (N4235)

SEC. 36, T7S, R21E

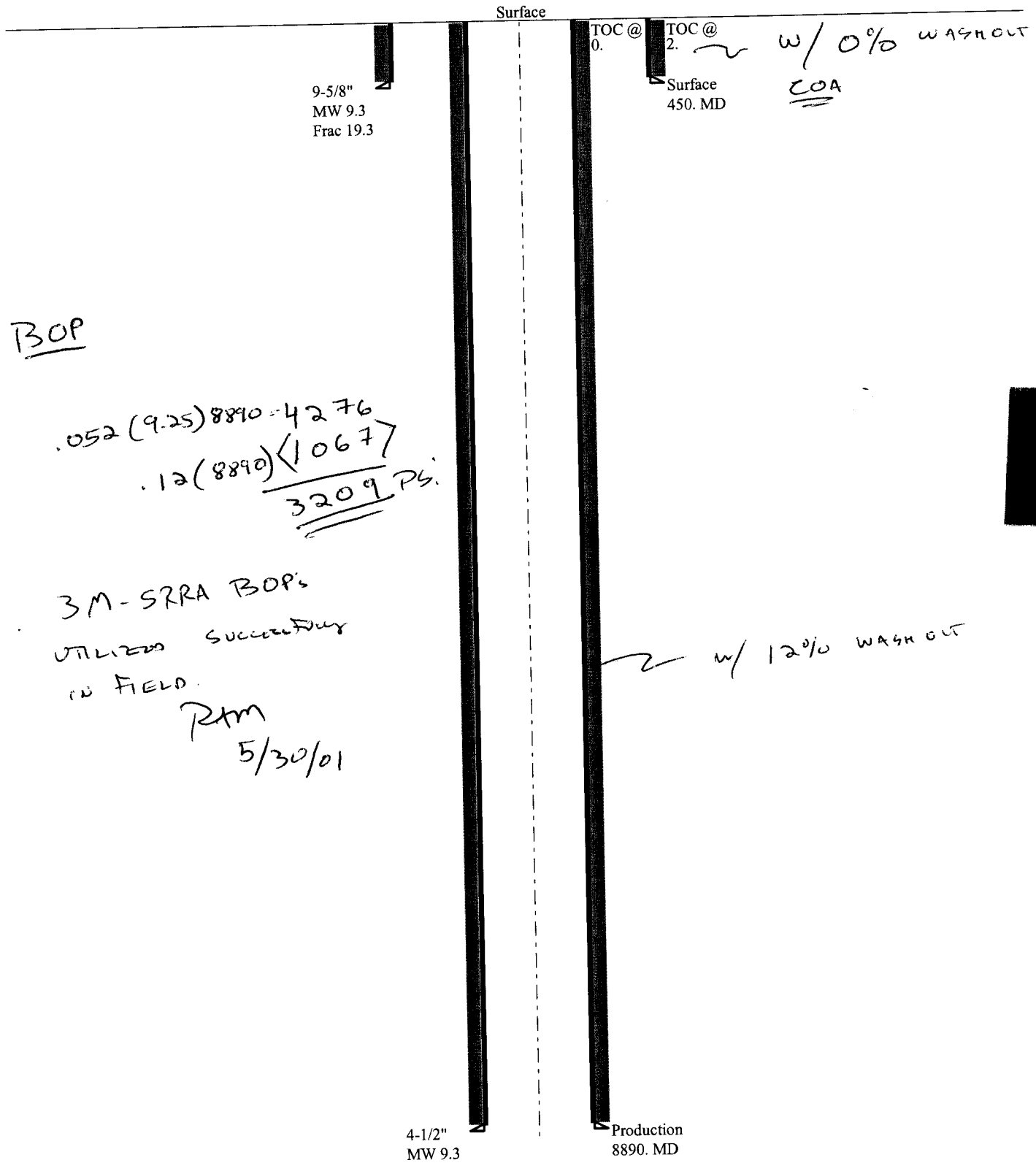
FIELD: UNDESIGNATED (002)

COUNTY: UTAH



PREPARED BY: LCORDOVA
DATE: 9-MAY-2001

05-01 Shennandoah WV 11W 26-7-21
Casing Schematic



05-01 Shennandoah WV 11W-36-7-21

Well name:

Operator: **Shenandoah**

String type: Production

Project ID:

43-047-34067

Location: Uintah Co.

Design parameters:

Collapse

Mud weight: 9.250 ppg

Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 167 °F

Temperature gradient: 1.15 °F/100ft

Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface

pressure: 0 psi

Internal gradient: 0.481 psi/ft

Calculated BHP 4,272 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 7,661 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
2	1500	4.5	11.60	N-80	LT&C	1500	1500	3.875	34.8
1	7390	4.5	11.60	J-55	LT&C	8890	8890	3.875	171.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
2	721	5507	7.64	721	7780	10.79	103	223	2.16 J
1	4272	4960	1.16	4272	5350	1.25	86	162	1.89 J

Prepared R.A.McKee
by: Utah Dept. of Natural Resources

Date: May 30,2001
Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface Cement COA.

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 8890 ft, a mud weight of 9.25 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

05-01 Shennandoah WV 11W-36-7-21

Operator: Shenandoah

String type: Surface

Project ID:

43-047-34067

Location: Uintah Co.

Design parameters:**Collapse**

Mud weight: 9.250 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 71 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 450 ft

Cement top:

2 ft

COA

Burst

Max anticipated surface pressure:

0 psi

Internal gradient: 0.481 psi/ft

Calculated BHP 216 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 388 ft

Re subsequent strings:

Next setting depth: 6,440 ft

Next mud weight: 9.250 ppg

Next setting BHP: 3,095 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 450 ft

Injection pressure 450 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	450	9.625	36.00	K-55	ST&C	450	450	8.765	32
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	216	2020	9.34	216	3520	16.28	16	423	26.11 J

Prepared R.A.McKee
by: Utah Dept. of Natural ResourcesDate: May 30, 2001
Salt Lake City, Utah**ENGINEERING STIPULATIONS:** Surface Cement COA.

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 450 ft, a mud weight of 9.25 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: SHENANDOAH ENERGY, INC.
Well Name & Number: WVFU 11W-36-7-21
API Number: 43-047-34067
Location: 1/4, 1/4 NE/SW Sec. 36 T. 7S R. 21E

Geology/Ground Water:

Shenandoah proposes to set 450' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3200'. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the center of section 36. This well is listed as a stock watering well which produces from a depth of about 40 feet and is more than a mile from the proposed location. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The proposed casing program should adequately protect any underground sources of useable water.

Reviewer: Brad Hill
Date: 05/24/2001

Surface:

The pre-drill investigation of the surface was performed on 5/17/2001. Surface and minerals are owned by State of Utah. Ed Bonner with SITLA and Jack Lytle with DWR were both invited to this meeting on 5/10/01. Neither attended. This site appears to be the best spot for a location in the immediate area. The reserve pit will be entirely in cut but sandstone outcroppings are numerous in the area and blasting will probably be necessary to construct pit. For this reason a liner and felt subliner will be required.

Reviewer: David W. Hackford
Date: 5/17/2001

Conditions of Approval/Application for Permit to Drill:

1. A 12 mil liner and felt sub-liner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: SHENANDOAH ENERGY, INC.
WELL NAME & NUMBER: WVFU 11W-36-7-21
API NUMBER: 43-047-34067
LEASE: STATE FIELD/UNIT: UNDESIGNATED
LOCATION: 1/4, 1/4 NE/SW SEC: 36 TWP: 7S RNG: 21E
2210' F W L 2172' F S L
LEGAL WELL SITING: Statewide 400 foot window in center of 40
acre tract and no closer than 920 feet from
another well.
GPS COORD (UTM): 12626838E 4446851N
SURFACE OWNER: SITLA

PARTICIPANTS:

RAYLENE SEARLE, (SHENANDOAH). DAVID HACKFORD, (DOGM).

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

SITE IS ON THE POINT OF A LARGE BENCH WHICH STRETCHES FOR OVER
ONE MILE TO THE EAST. 300' TO THE NORTH, WEST AND SOUTH, THIS
POINT FALLS OFF SHARPLY INTO STEEP, ROUGH BREAKS WHICH LEAD TO
THE GREEN RIVER WHICH IS FOUR MILES TO THE WEST.

SURFACE USE PLAN:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.
HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 325' BY 240'
AND ACCESS ROAD WOULD BE 1816 FEET.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE
ATTACHED MAP FROM GIS DATABASE

LOCATION OF PRODUCTION FACILITIES AND PIPELINES:
ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND
CONSTRUCTED AFTER WELL IS DRILLED AND COMPLETED. THE
PIPELINE TO THIS BATTERY WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL
WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, HORSEBRUSH, PRICKLY PEAR, CHEAT GRASS, GREASEWOOD, SAGE, SHADSCALE: RODENTS, COYOTES, SONG-BIRDS, RAPTORS, PRONGHORN, DEER.

SOIL TYPE AND CHARACTERISTICS: LIGHT SANDY CLAY.
EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT:

CHARACTERISTICS: 140' BY 70' AND 8' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached):
A 12 MIL LINER AND FELT SUB-LINER WILL BE REQUIRED.

SURFACE RESTORATION/RECLAMATION PLAN:

AS PER STATE OF UTAH.

SURFACE AGREEMENT: STATE LAND.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY MONTGOMERY ARCHAEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS:

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A COOL, RAINY DAY.

ATTACHMENTS:

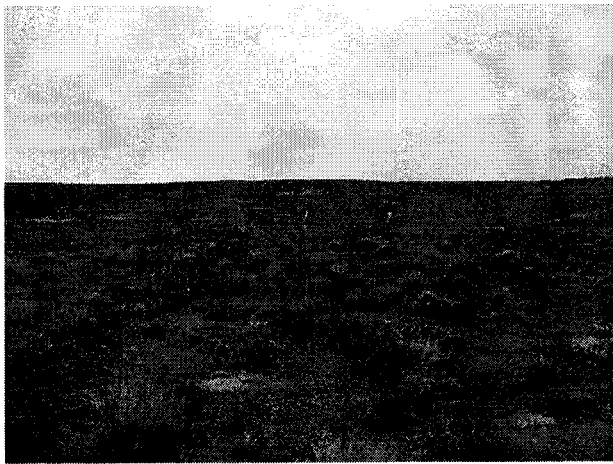
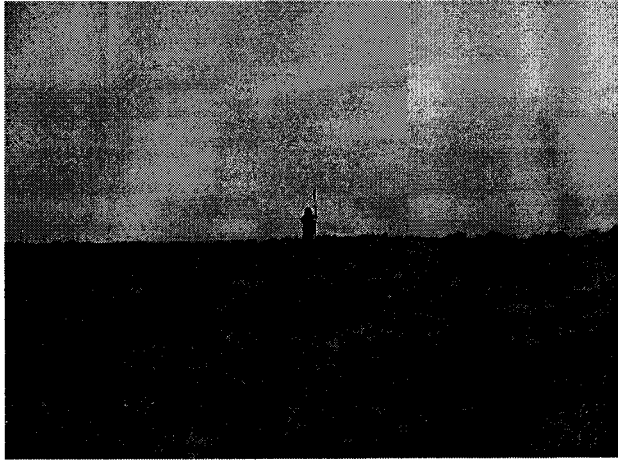
PHOTOS OF SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

5/17/2001-11:00 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements**

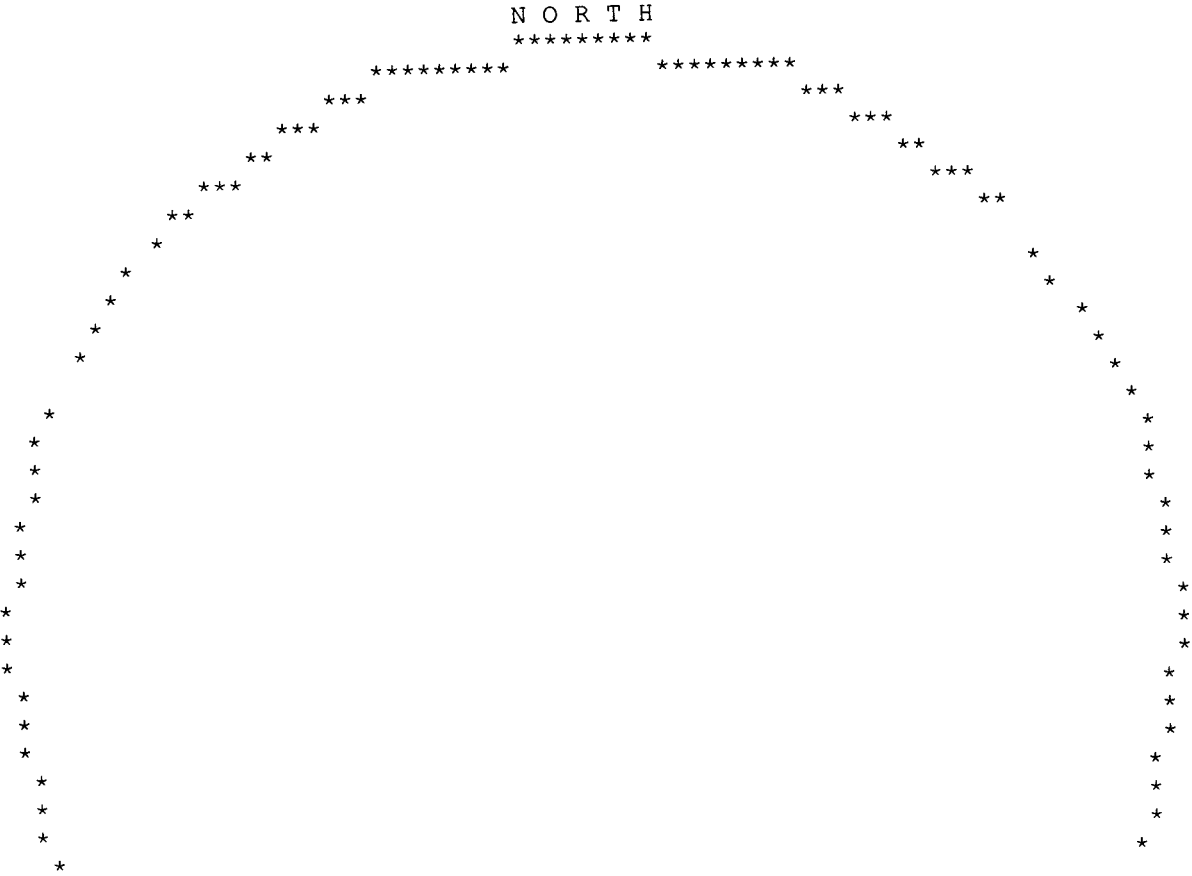
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score		<u>30</u>

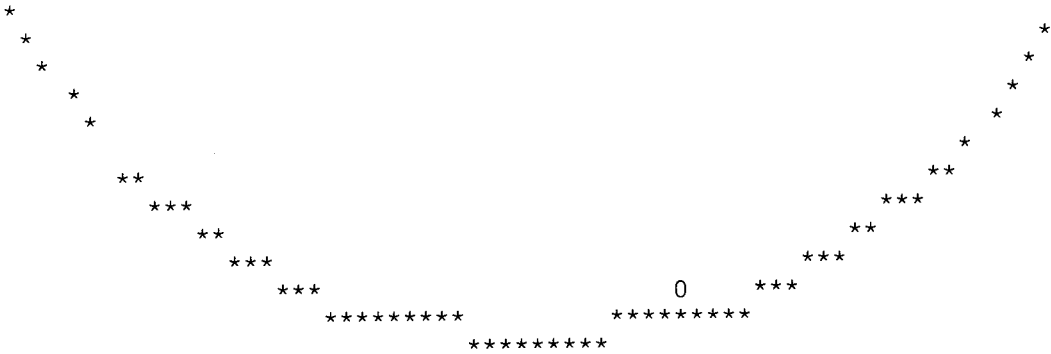


UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, MAY 24, 2001, 2:01 PM
PLOT SHOWS LOCATION OF 1 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT
FEET, FEET OF THE CT CORNER,
SECTION 36 TOWNSHIP 7S RANGE 21E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET





UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	CFS	QUANTITY		AC-FT	SOURCE DESCRIPTION		or WELL INFO		POINT OF DIVERSION DESCRIPTION					
			AND/OR			DIAMETER	DEPTH	YEAR LOG		NORTH	EAST	CNR	SEC	TWN	RNG B&M
0	49 186	.0150			.00	6	40			S	1154	W	265	NE 12	8S 21E SL
			WATER USE(S): DOMESTIC STOCKWATERING												PRIORITY DATE: 09/10/195
			Hall, Louie												Ouray

SHENANDOAH ENERGY INC.

11002 East 17500 South
Vernal, UT 84078
Phone: (435) 781-4300
Fax (435) 781-4329

May 21, 2001

Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

To Whom It May Concern:

43-047-34667 sec. 36, 75, 21E

Shenandoah Energy Inc. Wonsits Valley #11W-36-7-21 is an exception location due to severe topography. This lease # (ML-47047) is under the Wonsits Valley Unit Agreement and all owners are committed under the Unit Agreement.

There are no additional lease owners within 460' of this proposed well. If you have any question please contact Raleen Searle @ (435) 781-4309.

Thank you,



Raleen Searle
Administrative Assistant



Shenandoah Energy Inc.

May 24, 2001

Division of Oil, Gas, & Mining
1594 W. North Temple STE 1210
Salt Lake City, UT 84114

Attention: AL Mckee

Dear AL:

The enclosed our copies of the revised front page and drilling program for the wells that we spoke about on May 23rd. Please change your copies of the following wells:

WV 14G-2-8-21
WV 10G-2-8-21
WV 2W-2-8-21
WV 13G-2-8-21
WV 7W-36-7-21
WV 9W-36-7-21
WV 11W-36-7-21

If you have any questions please call me @ 435-781-4309.

Thank you,

Raleen Searle
Administrative Assistant

Enclosures

RECEIVED

MAY 25 2001

**DIVISION OF
OIL, GAS AND MINING**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 3

APPLICATION FOR PERMIT TO DRILL				5. LEASE DESIGNATION AND SERIAL NUMBER U-05646T <i>ML 47040</i>				
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				6. IF INDIAN ALLOTTEE OR TRIBE NAME N/A				
B. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				7. UNIT OF CA AGREEMENT NAME: N/A				
2. NAME OF OPERATOR: SHENANDOAH ENERGY INC.				8. WELL NAME and NUMBER: WV #11W-36-7-21				
3. ADDRESS OF OPERATOR: 11002 E. 17500 W. CITY VERNAL STATE UT ZIP 84078			PHONE NUMBER: (435) 781-4341			9. FIELD AND POOL, OR WILDCAT: UNDESIGNATED		
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2172' FSE, 2210' FWL NESW AT PROPOSED PRODUCING ZONE: SAME				10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 7S 21E				
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: MILES SOUTH WEST FROM RED WASH UNIT				9		11. COUNTY: UINTAH		
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE(FEET) 2172' ±		15. NUMBER OF ACRES IN LEASE: 602		16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40				
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 4000' ±		18. PROPOSED DEPTH 8890'		19. BOND DESCRIPTION: 159261960				
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5218.9' GR		21. APPROXIMATE DATE WORK WILL START: ASAP		22. ESTIMATED DURATION:				
23 PROPOSED CASING AND CEMENTING PROGRAM								
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
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7 7/8"	4 1/2"	J-55	11.6	TD	PREMIUM PLUS	137	1.18	14.5 ppg
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VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:								
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER				<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN				
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER				<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OW				
NAME (PLEASE PRINT) JOHN BUSCH <i>John Busch</i>					TITLE RED WASH OPERATIONS REPRESENTATIVE			
SIGNATURE <i>John Busch</i>					DATE May 23-01			
(This space for State use only)								
API NUMBER ASSIGNED: 43-047-34067					APPROVAL: _____			

(5/2000)

(Approved by the _____
Utah Division of
Oil, Gas and Mining
Date: **05-01-01**
By: *[Signature]*

RECEIVED

MAY 25 2001

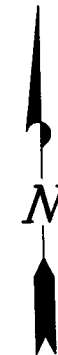
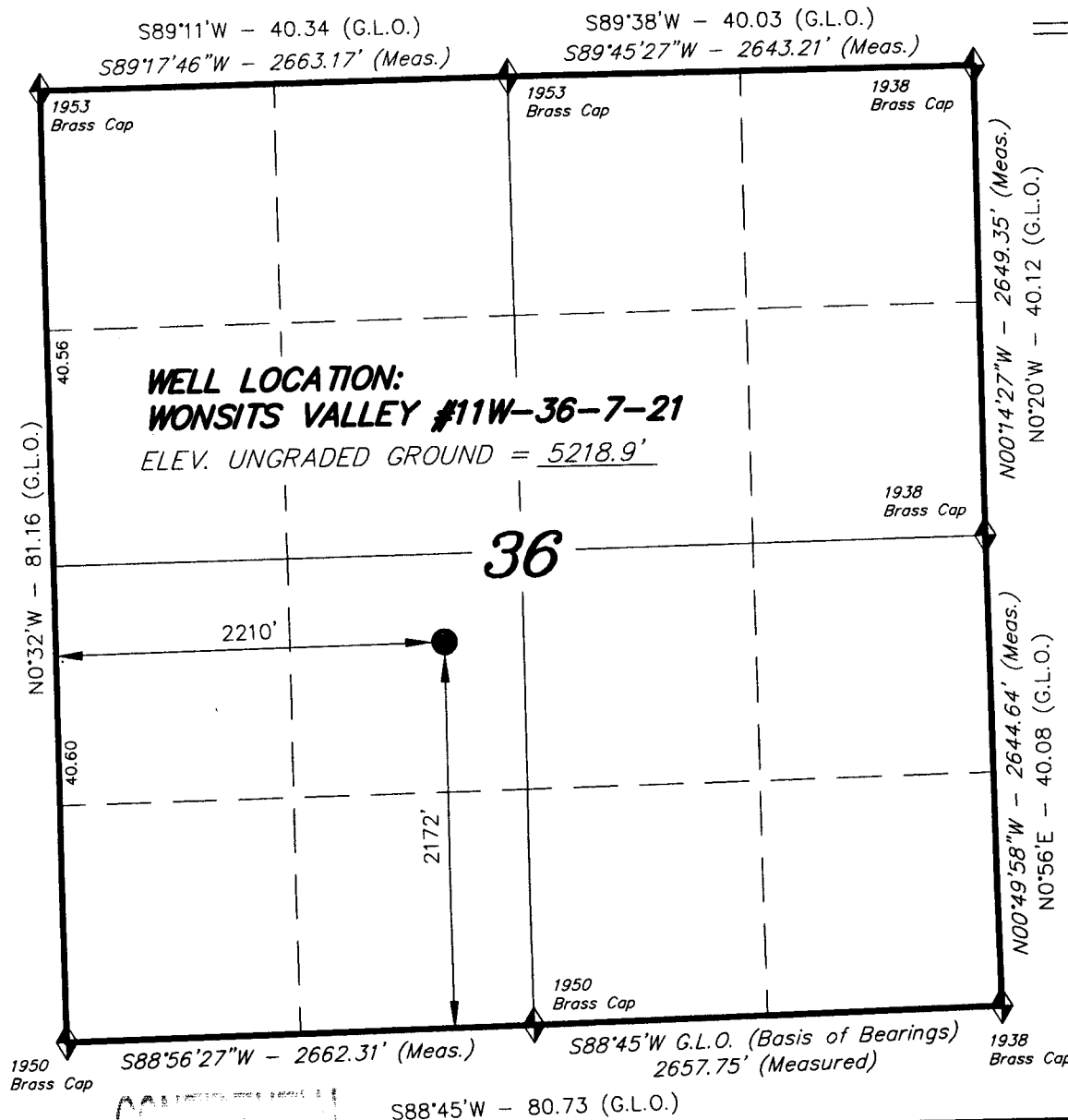
DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

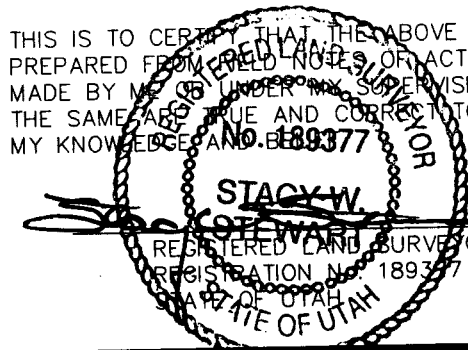
T7S, R21E, S.L.B.&M.

SHENANDOAH ENERGY, INC.

WELL LOCATION, WONSITS VALLEY
#11W-36-7-21, LOCATED AS SHOWN
IN THE NE 1/4 SW 1/4 OF SECTION
36, T7S, R21E, S.L.B.&M. UINTAH
COUNTY, UTAH.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.



TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 4-25-01	WEATHER: COOL
DRAWN BY: J.R.S.	FILE #

◆ = SECTION CORNERS LOCATED
BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (RED WASH NW)

WONSITS VALLEY #11W-36-7-21

LATITUDE = 40° 09' 59.42"
LONGITUDE = 109° 30' 17.91"

DRILLING PROGRAM

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	3595'	
Mahogany Ledge	4185'	
Wasatch	6885'	
TD (Wasatch)	8890'	Gas

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Wasatch	8890'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the State of Utah form OGC-8-X is acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right #36125 or where possible a fresh water line (poly pipe) will be laid in the access road to each location to supply fresh water for drilling purposes.

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DRILLING PROGRAM

3. Surface Ownership

The well pad and access road are located on lands owned by the State of Utah.

4. Operator's Specification for Pressure Control Equipment:

- A. 3,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing whichever is less. Tests shall be done at the time of installation, prior to drilling out and weekly. All tests shall be for a period of 15 minutes

5. Casing Program

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg Size</u>	<u>Type</u>	<u>Weight</u>
Surface	450'	12-1/4"	9-5/8"	K-55	36lb/ft (new)
Production	8890'	7-7/8"	4-1/2"	J-55	11.6lb/ft (new)

6. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').

CONFIDENTIAL

DRILLING PROGRAM

-
- H. Compressor shall be tied directly to the blooie line through a manifold.
 - I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.
7. Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

8. Testing, logging and coring program

- A. Cores – none anticipated
- B. DST – none anticipated

Logging – Mud logging – 4500 to TD
GR-SP-Induction
Neutron Density
MRI

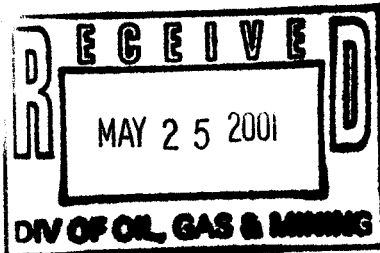
- C. Formation and Completion Interval: Wasatch interval, final determination of completion will be made by analysis of logs.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

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DRILLING PROGRAM

9. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
Surface	119 sx	Premium Plus single slurry mixed to 15.6 ppg, yield = 1.18 cf/sx. Fill to surface with 160 cf (130 sx) calculated. Tail plug used. Allowed to set under pressure
Production	1456 sx* Lead 137 sx* Tail	Lead/Tail oilfield type cement circulated in place . Tail slurry: Premium Plus + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.18 cf/sx. Fill to 4200' ($\pm 300'$ above top of Lower Wasatch).



Cement Characteristics:

Lead slurry: Premium Plus + extender and additives as required, mixed to 11.0 ppg, yield = 1.18 cf/sx. Fill to surface. Tail plug used. Allowed to set under pressure.

*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

10. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3556.0 psi. Maximum anticipated bottom hole temperature is 140° F.

CONFIDENTIAL

DRILLING PROGRAM

9. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
Surface	119 sx	Premium Plus single slurry mixed to 15.6 ppg, yield = 1.18 cf/sx. Fill to surface with 160 cf (130 sx) calculated. Tail plug used. Allowed to set under pressure
Production	1717 sx*	Lead/Tail oilfield type cement circulated in place . Tail slurry: Premium Plus + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.18 cf/sx. Fill to 4200' ($\pm 300'$ above top of Lower Wasatch). Cement Characteristics: Lead slurry: Premium Plus + extender and additives as required, mixed to 11.0 ppg, yield = 1.18 cf/sx. Fill to surface. Tail plug used. Allowed to set under pressure.

*Amended
5-25-01*

*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

10. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3556.0 psi. Maximum anticipated bottom hole temperature is 140° F.

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Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Shenandoah Energy Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Shenandoah Energy Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

John Busch

John Busch
Red Wash Operations Representative

May 1, 2001

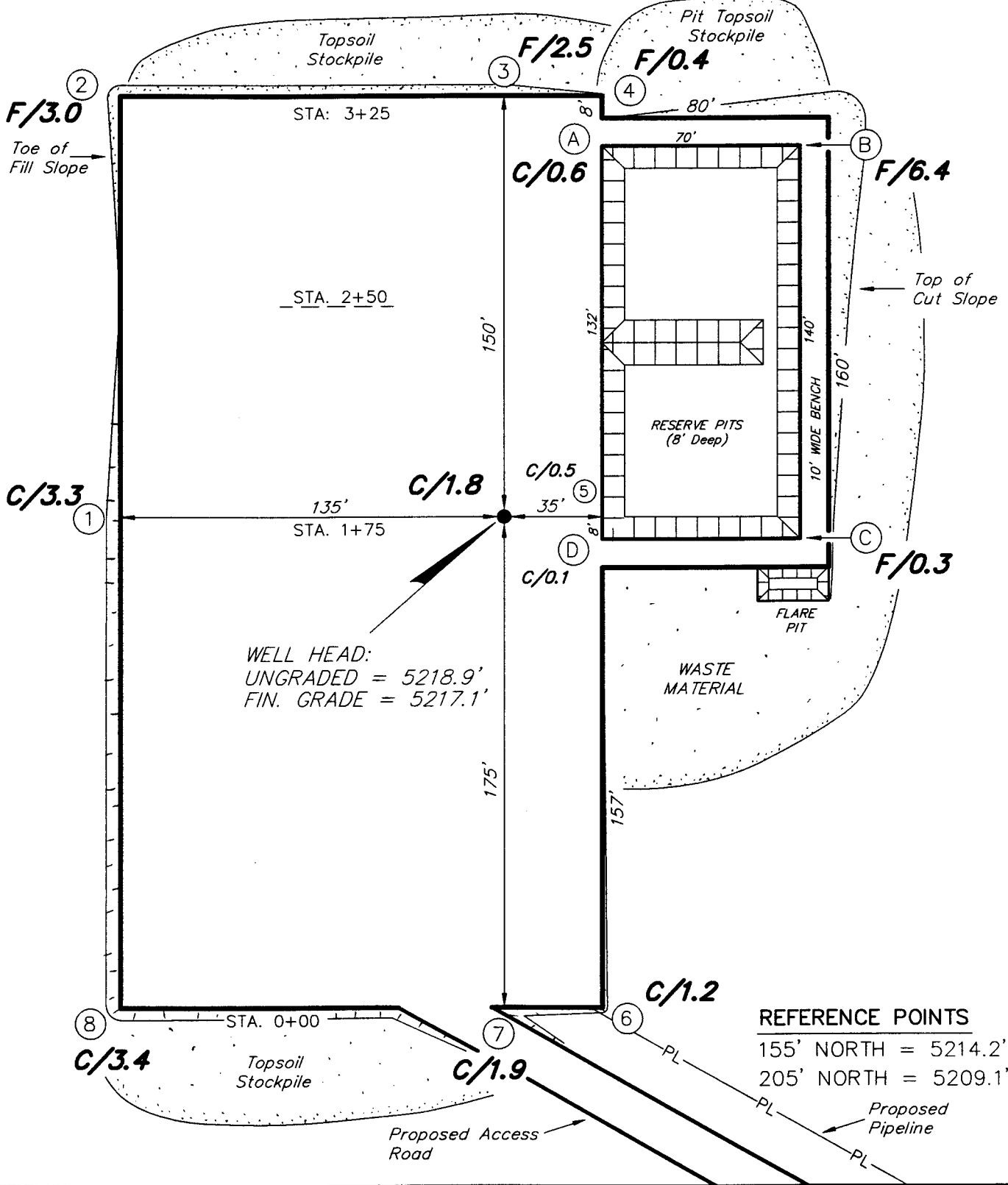
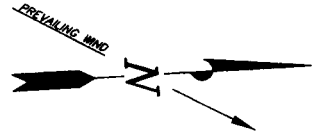
Date

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SHERANDOAH ENERGY, INC.

WONSITS VALLEY #11W-36-7-21

SEC. 36, T7S, R21E, S.L.B.&M.



SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 4-25-01

Tri State
Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078

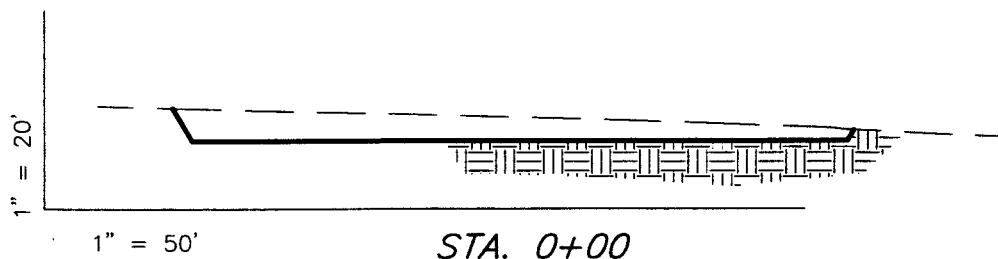
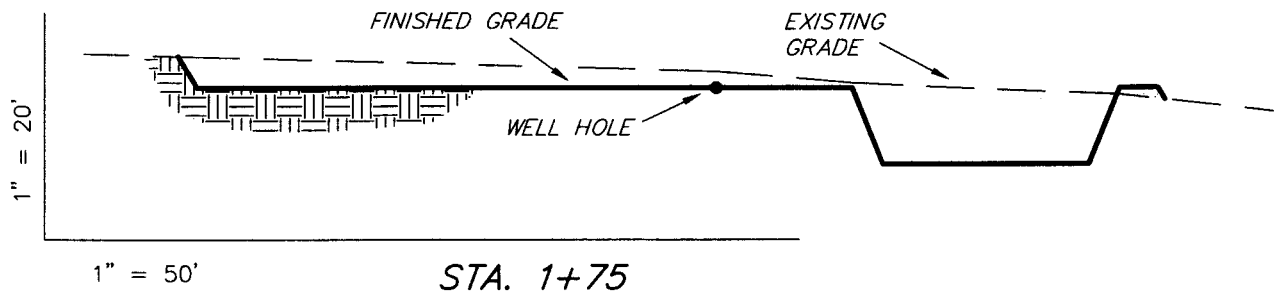
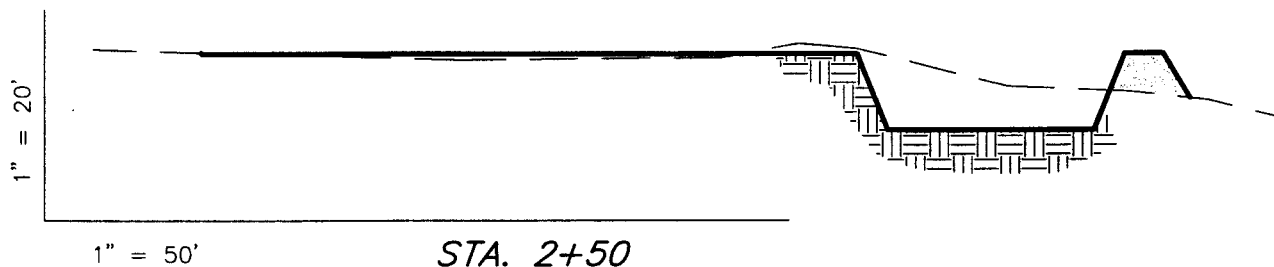
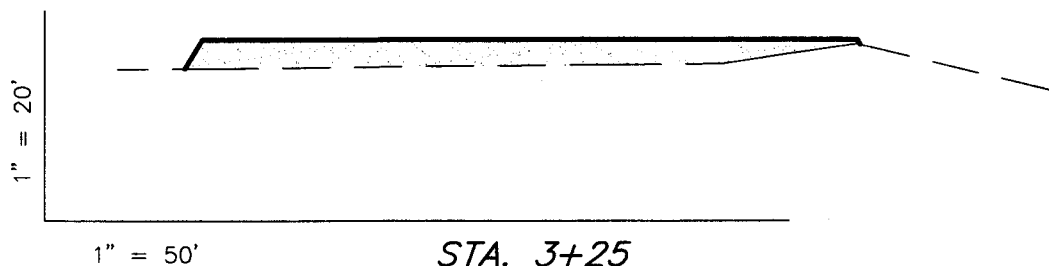
(435) 781-2501

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STENANDOAH ENERGY INC.

CROSS SECTIONS

WONSITS VALLEY #11W-36-7-21



APPROXIMATE YARDAGES

CUT = 1,540 Cu. Yds.

FILL = 1,540 Cu. Yds.

PIT = 2,370 Cu. Yds.

6" TOPSOIL = 1,260 Cu. Yds.

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SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 4-25-01

Tri State
Land Surveying, Inc.

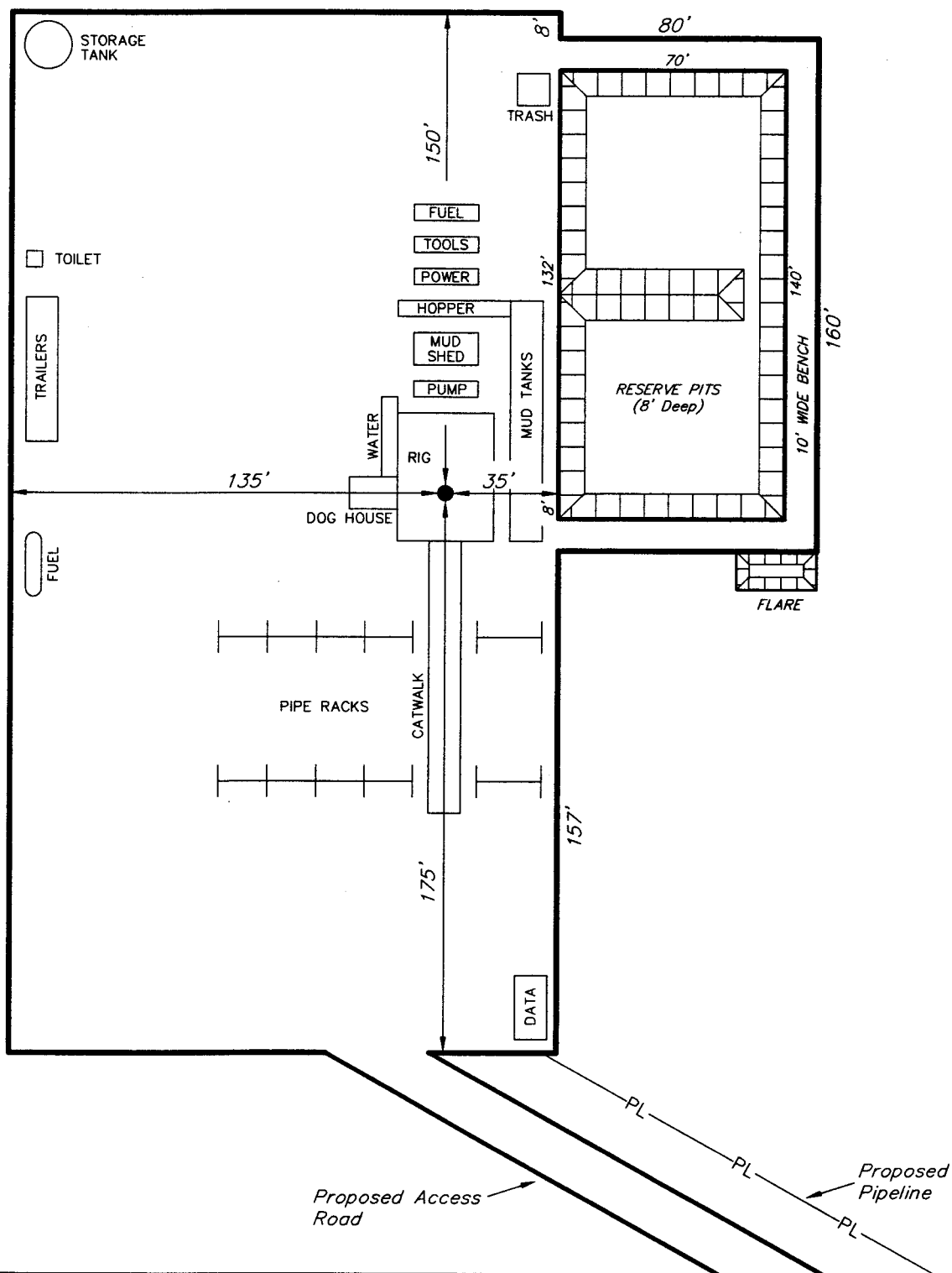
(435) 781-2501

38 WEST 100 NORTH VERNAL, UTAH 84078

SHEVANDOAH ENERGY, INC.

TYPICAL RIG LAYOUT

WONSITS VALLEY #11W-36-7-21



SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 4-25-01

Tri State
Land Surveying, Inc.

38 WEST 100 NORTH VERNAL, UTAH 84078

(435) 781-2501

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SHONANDOAH ENERGY INC.

WV #11W-36-7-21

**LOCATED IN UINTAH COUNTY, UTAH
SECTION 36, T7S, R21E, S.L.B.&M.**



PHOTO: VIEW OF PROPOSED LOCATION



PHOTO: VIEW FOM BEGINNING OF PROPOSED ACCESS

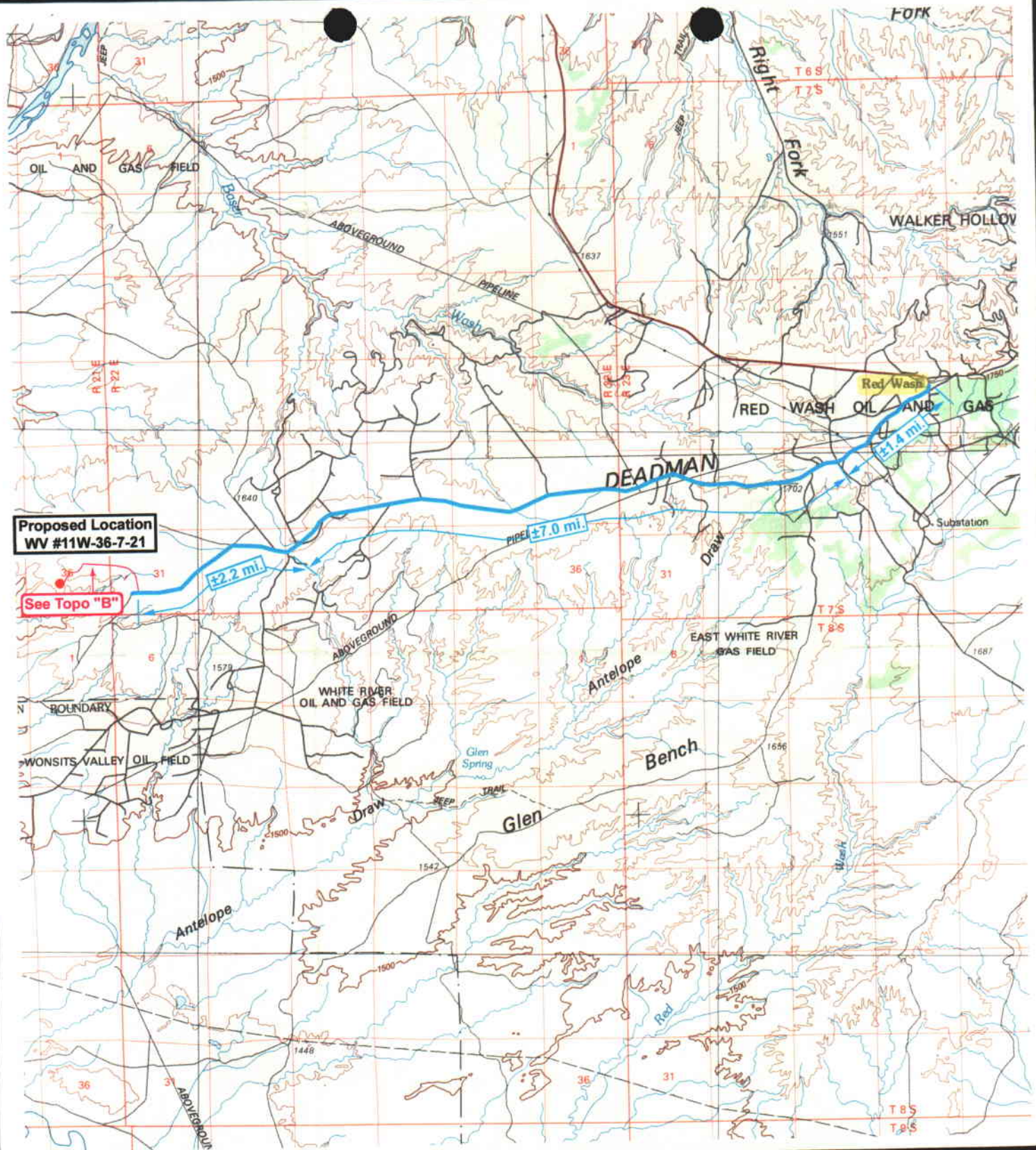
Tri-State Land Surveying Inc.
38 West 100 North, Vernal, UT 84078
435-781-2501 tristate@casilink.com

LOCATION PHOTOS

Drawn By: SS

Date: 4-26-01

CONFIDENTIAL



**SHENANDOAH
ENERGY INC.**

**Wonsits Valley #11W-36-7-21
SEC. 36, T7S, R21E, S.L.B.&M.**



**Tri-State
Land Surveying Inc.**
(435) 781-2501
38 West 100 North Vernal, Utah 84078

SCALE: 1 : 100,000
DRAWN BY: bgm
DATE: 04-25-2001

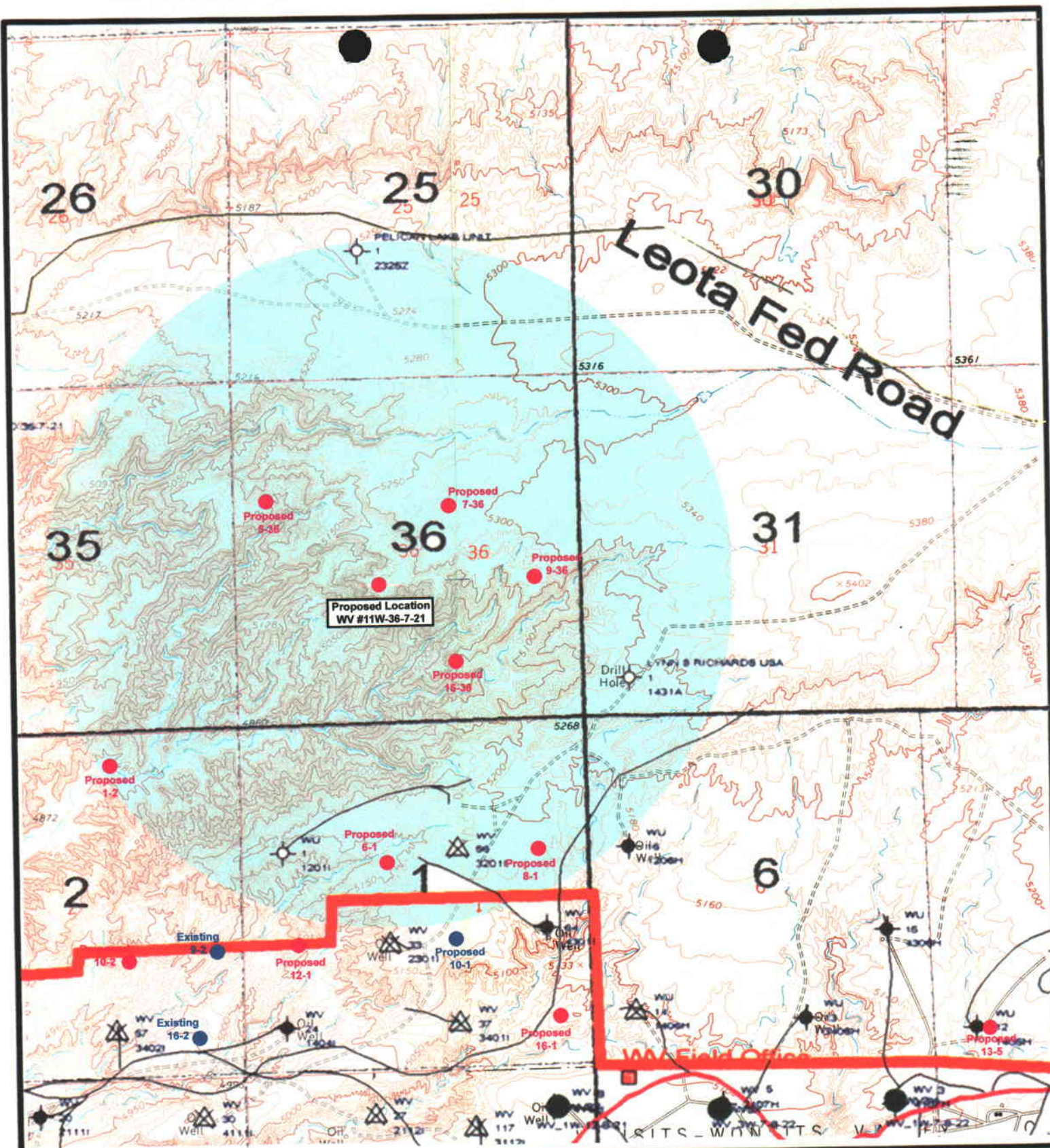
Legend

Existing Road
Proposed Access

TOPOGRAPHIC MAP

"A"

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**SHENANDOAH
ENERGY INC.**

**Wonsits Valley #11W-36-7-21
SEC. 36, T7S, R21E, S.L.B.&M.**

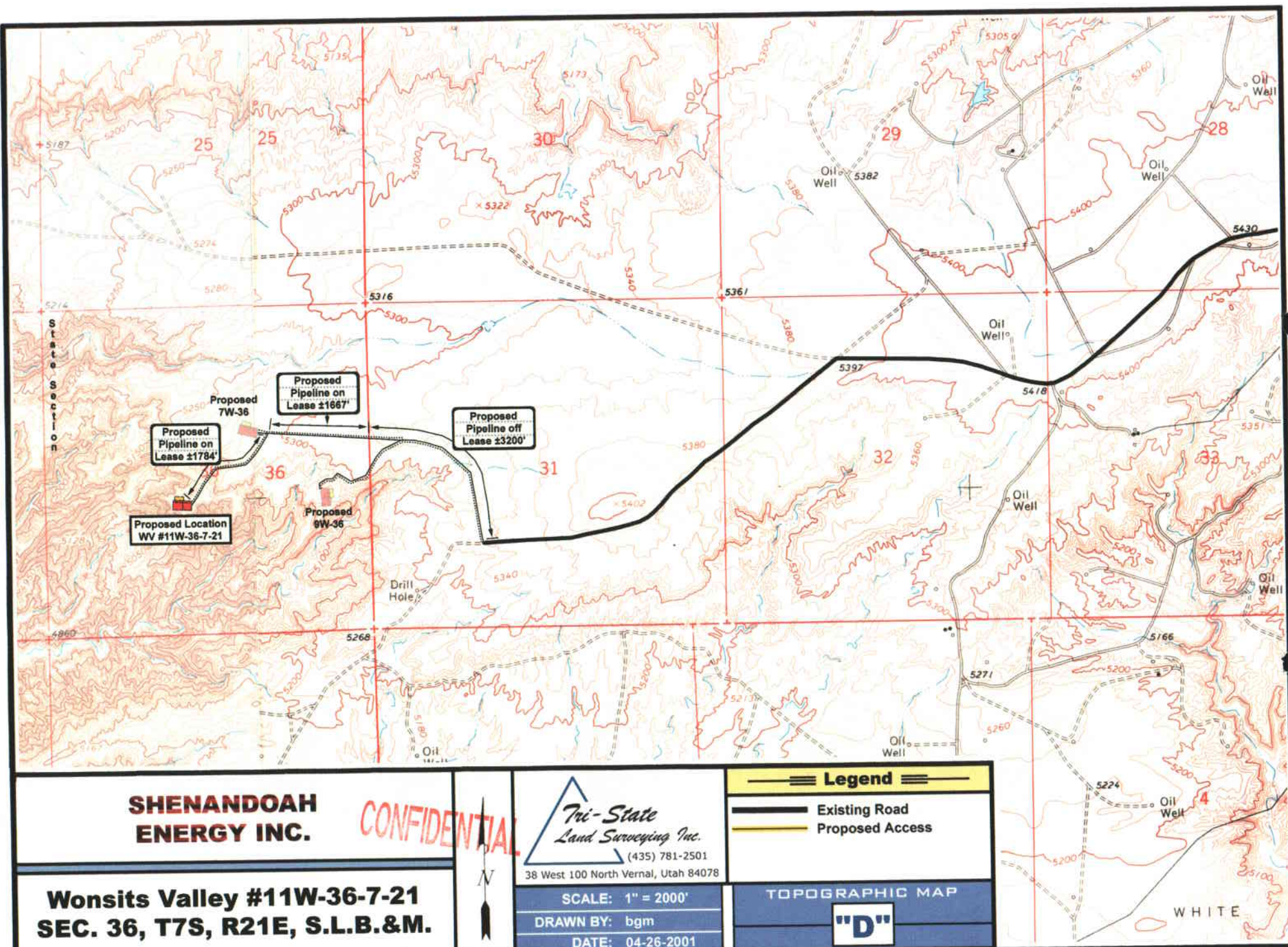


*Tri-State
Land Surveying Inc.*
(435) 781-2501
38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'
DRAWN BY: bgm
DATE: 04-25-2001

Legend	
●	Proposed Location
●	Existing Location
○	Two-Mile Radius
TOPOGRAPHIC MAP	
"C"	

CONFIDENTIAL



SHENANDOAH ENERGY INC.
Western District

11002 East 17500 North
Vernal, UT 84078
(435) 781-4300 Phone
(435) 781-4329 FAX

FAX TO: Al McKee

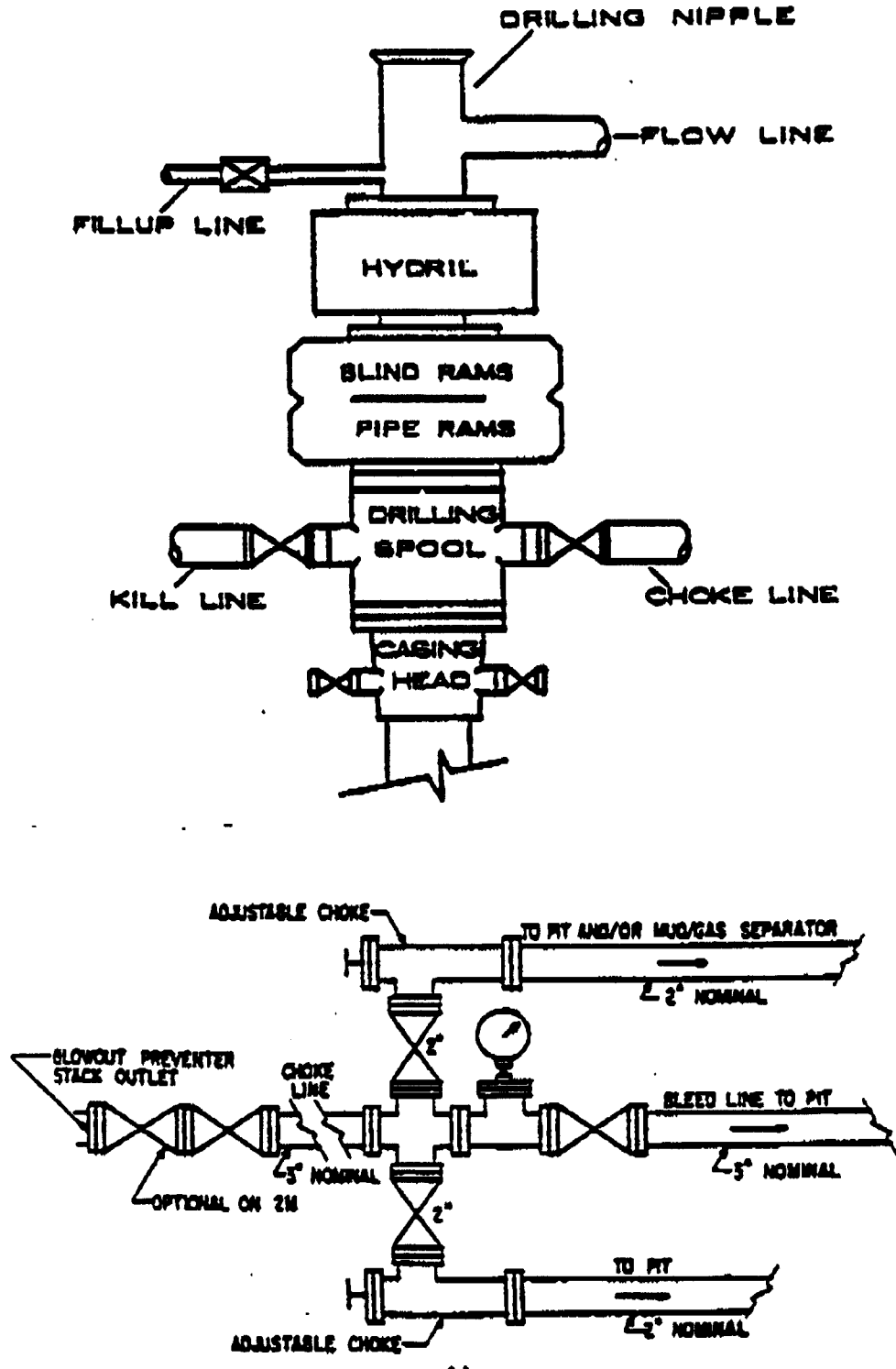
FROM: Rabeen Searle

Pages Including Cover: 2

RE: BOP Diagram

Drilling Program

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK





State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

July 17, 2001

John Busch
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: Applications for Permit to Drill (APD's) – Section 36, T7S, R21E, Uintah
County, Utah

Dear Mr. Busch:

Please be advised that the Division of Oil, Gas and Mining (the Division) is currently holding the APD's referenced below, pending either a lease assignment from Robert Bayless to Shenandoah Energy Inc. (Shenandoah), or a Designation of Agent/Operator for state mineral lease ML-47040.

WV 7W-36-7-21
WV 5W-36-7-21

WV 9W-36-7-21
WV 13W-36-7-21

WV 11W-36-7-21

The Division has contacted The School and Institutional Trust Lands Administration (SITLA) several times during the permit process to ensure that Shenandoah has the right to drill the referenced wells under mineral lease ML-47040. As of today nothing has been filed with SITLA, therefore the Division is unable to permit the well locations until the lease situation has been taken of.

Please contact SITLA, Ed Bonner at (801)538-5151 to file a Designation of Agent/Operator or Becky Pritchett at (801)538-5100 to file a new lease assignment.

Should you have any questions regarding this matter please call me at (801)538-5296.

Sincerely,

Lisha Cordova
Eng. Technician, Oil & Gas

cc: SITLA, Ed Bonner
Gil Hunt, Technical Services Manager, Oil & Gas

TRANSACTION REPORT

P. 01

JUL-17-2001 TUE 02:59 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JUL-17	02:58 PM	3550922	44"	2	SEND	OK	636	

TOTAL : 44S PAGES: 2



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1694 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

UTAH DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE: 7-17-01

FAX #: 355-0922

ATTN: Ed Bonner

COMPANY: SITLA

DEPARTMENT: _____

NUMBER OF PAGES: (INCLUDING THIS ONE) 2

FROM: Lisle Cordova

If you do not receive all of the pages, or if they are illegible, please call (801)538-5340.
Our telecopier number is (801)359-3940.

TRANSACTION REPORT

P. 01

JUL-17-2001 TUE 02:55 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JUL-17	02:54 PM	14357814329	43"	2	SEND	OK	635	

TOTAL : 43S PAGES: 2

**State of Utah**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1584 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
GovernorKathleen Clarke
Executive DirectorLowell P. Braxton
Division DirectorUTAH DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE: 7-17-01

FAX #: (435) 781-4329

ATTN: John Busch & Kathleen Searle

COMPANY: Shenandoah Energy

DEPARTMENT:

NUMBER OF PAGES: (INCLUDING THIS ONE) 2

FROM: Lisha Cordova

If you do not receive all of the pages, or if they are illegible, please call (801)538-5340.
... from a cheap facsimile machine. Our telecopier number is (801)359-3940.

SHENANDOAH ENERGY INC.

11002 East 17500 South
Vernal, UT 84078

July 27, 2001

Ed Bonner
State Trust Lands
675 East 500 South STE 500
Salt Lake City, UT 84114-5801

Dear Ed:

Please find attached original copy of the Designation of Agent/Operator. The Division of Oil, Gas, and Mining is currently holding the APD's referenced below, pending this information.

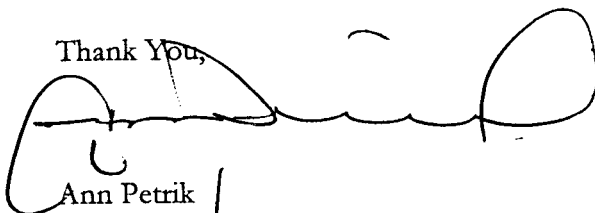
WV 7W-36-7-21
WV 5W-36-7-21

WV 9W-36-7-21
WV 13W-36-7-21

WV 11W-36-7-21

Should you have any questions regarding this matter please contact me at (435)781-4355.

Thank You,



Ann Petrik
Operations Assistant

* SITLA appr. 8-1-01.
LC

cc: Division of Oil, Gas and Mining, Lisha Cordova

DIVISION OF
OIL, GAS AND MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

August 1, 2001

Shenandoah Energy, Inc.
11002 E 17500 S
Vernal, UT 84078

Re: Wonsits Valley 11W-36-7-21 Well, 2172' FSL, 2210' FWL, NE SW, Sec. 36, T. 7 South,
R. 21 East, Uintah County, Utah

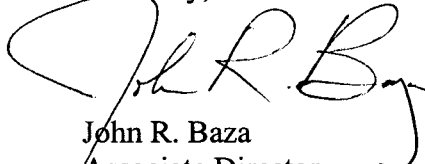
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34067.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
SITLA

FORM 5

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: State of UtahLEASE NUMBER: ML-47040

and hereby designates

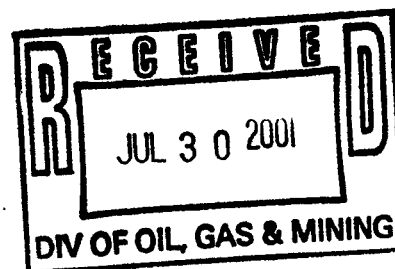
NAME: Shenandoah Energy Inc.ADDRESS: 475 17th Street, Suite 1000, Denver, CO 80202

as his agent ☐ operator ☒ with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable, and identify each applicable oil and gas well by name and API number. Attach additional pages as needed.)

All Section 36, Township 7 South, Range 21 East, SLM

Well Name	Location	API No.
WV 5W-36-7-21	SWNW	Pending
WV 7W-36-7-21	SWNE	Pending
WV 9W-36-7-21	NESE	Pending
WV 11W-36-7-21	NESW	Pending
WV 13W-36-7-21	SWSW	Pending



It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

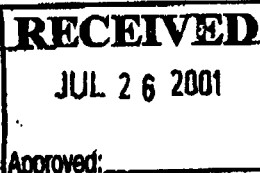
In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: July 20, 2001

BY: (Name) Robert L. Bayless, Jr.
(Signature) [Signature]
(Title) Robert L. Bayless, Jr.
(Phone) (303) 296-9900

OF: (Company) [Signature]
(Address) 621 Seventeenth St., Suite 1640
Denver, Co 80293



Operator: Shenandoah Energy, Inc.
Well Name & Number Wonsits Valley 11W-36-7-21
API Number: 43-047-34067
Lease: ML 47040
Location: NE SW Sec. 36 T. 7 South R. 21 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

7. Surface casing shall be cemented to surface.

State of Utah
Division of Oil, Gas and Mining

CONFIDENTIAL

OPERATOR: Shenandoah Energy, Inc.
ADDRESS: 11002 East 17500 South
Vernal, Utah 84078-8526

OPERATOR ACCT. No. N4235

(801)781-4300

ENTITY ACTION FORM - FORM 6

Action Code	Current Entity No.	New Entity No.	API Number	Well Name	QQ	SC	TP	RG	County	Spud Date	Effective Date
A	99999	13383	43-047-34067	WV 11W 36 7 21	NESW	38	7S	21E	Uintah	10/23/01	11-27-01

WELL 1 COMMENTS:

New well to be drilled in Wonsits Valley. Not in the Wasatch participating area.

WELL 2 COMMENTS:

WELL 3 COMMENTS:

WELL 4 COMMENTS:

WELL 5 COMMENTS:

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected

(3/89)

Signature

Administrative Assistant 11/08/01

Title Date

Phone No. (801) 781-4306

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil

Gas

☐

Well

☒

Well

☐

Other

2. Name of Operator

SHENANDOAH ENERGY INC.

3. Address and Telephone No.

11002 E. 17500 S. VERNAL, UT 84078-8526

(801) 781-4306

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2172' FNL, 2210' FWL, NE SW, SECTION 36, T7S, R21E, SLBM

5. Lease Designation and Serial No.

U-0561ST

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

WV 11W 36 7 21

9. API Well No.

43-047-34067

10. Field and Pool, or Exploratory Area

UNDESIGNATED

11. County or Parish, State

UINTAH, UTAH

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐

Notice of Intent

☒

Subsequent Report

☐

Final Abandonment Notice

TYPE OF ACTION

☐

Abandonment

☐

Recompletion

☐

Plugging Back

☐

Casing Repair

☐

Altering Casing

☒

Other **SPUD DATE**

☐

Change of Plans

☐

New Construction

☐

Non-Routine Fracturing

☐

Water Shut-Off

☐

Conversion to Injection

☐

Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

THIS WELL WAS SPUD 10/23/01. DRILL 460' 12 1/4" HOLE. RUN 449' OF 9 5/8" 36# CSG TO 462'.

14. I hereby certify that the foregoing is true and correct.

Signed **A. Petrik**

Title **Administrative Assistant**

Date **11/08/01**

(This space for Federal or State office use)

Approved by:

Title

Date

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
☐ Well ☒ Well ☐ Other

2. Name of Operator
SHENANDOAH ENERGY INC.

3. Address and Telephone No.
11002 E. 17500 S. VERNAL, UT 84078-8526 (801) 781-4306

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2172' FNL, 2210' FWL, NE SW, SECTION 36, T7S, R21E, SLBM

5. Lease Designation and Serial No.
U-0561ST

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or C.A. Agreement Designation
N/A

8. Well Name and No.
WV 11W 36 7 21

9. API Well No.
43-047-34067

10. Field and Pool, or Exploratory Area
UNDESIGNATED

11. County or Parish, State
UINTAH, UTAH

12. **CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other PRODUCTION START UP	<input type="checkbox"/> Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

THIS WELL COMMENCED PRODUCTION ON 1/12/02.

RECEIVED

DIVISION OF
OIL, GAS AND MINERALS

14. I hereby certify that the foregoing is true and correct.
Signed **A. Petrik** Title **Administrative Assistant** Date **1/16/01**

(This space for Federal or State office use)

Approved by: _____ Title _____ Date _____

Conditions of approval, if any _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on
reverse side).

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other <input type="checkbox"/>		17. UNIT AGREEMENT NAME ML-47040	
b. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR <input type="checkbox"/> Other <input type="checkbox"/>		8. FARM OR LEASE NAME Wonsits Valley	
2. NAME OF OPERATOR Shenandoah Energy Inc.		9. WELL NO. WV #11W-36-7-21	
3. ADDRESS OF OPERATOR 11002 East 17500 South Vernal Utah 84078		10. FIELD AND POOL, OR WILDCAT Undesignated	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface NESW S36-T7S-R21E 2172' FSL 2210' FWL At top rod. interval reported below Same At total depth Same		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec 36 - T7S - R21E SLBM	
14. PERMIT NO. 43-047-34067		12. COUNTY OR PARISH UINTAH	
15. DATE SPURRED 10/23/2001		13. STATE UTAH	
16. DATE T.D. REACHED 11/19/2001		18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5217' GL	
17. DATE COMPL. (Ready to prod.) 01/10/2002		19. ELEV. CASINGHEAD	
20. TOTAL DEPTH, MD & TVD 8900'		21. PLUG BACK T.D., MD & TVD 8606'	
22. IF MULTIPLE COMPL., HOW MANY*		23. INTERVALS DRILLED BY ROTARY TOOLS <input checked="" type="checkbox"/> CABLE TOOLS	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)* WASATCH		25. WAS DIRECTIONAL SURVEY MADE NO	
26. TYPE ELECTRIC AND OTHER LOGS RUN Compensated Neutron Density, Array Induction, CBL-1-7-02		27. WAS WELL CORED NO	
28. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
9 5/8"	36#	462'	12 1/4"
4 1/2"	11.6#	8692'	7 7/8"
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2 3/8"	8391'	N/A	
31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
7806'-7830'		DEPTH INTERVAL (MD)	
8204'-8220'		AMOUNT AND KIND OF MATERIAL USED	
8440'-8450'		7806'-7830' Sand frac w/ 71,100# in 29,400 gals	
8458'-8474'		8204'-8220' Sand frac w/ 50,000# in 24,100 gals	
		8440'-8474' Sand frac w/ 165,000# in 65,400 gals	
33.* PRODUCTION			
DATE FIRST PRODUCTION 01/12/2002		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) Flowing gas well	
WELL STATUS (Producing or shut-in) producing			
DATE OF TEST 01/17/2002	HOURS TESTED 24	CHOKE SIZE 48/64"	PROD'N FOR TEST PERIOD 3
FLOW. TUBING PRESS. 308 psig	CASING PRESSURE 680 psig	CALCULATED 24-HOUR RATE 3	OIL-BBL. 162
DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) sold		GAS-MCF. 36	
LIST OF ATTACHMENTS		WATER-BBL. 36	
TEST WITNESSED BY Lease operator		GAS-OIL RATIO OIL GRAVITY-API (CORR.)	
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED <i>[Signature]</i>		TITLE District Manager	
DATE 16 APR 2002			

(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Wasatch	7806'	7830'	Channel sand	Green River Mahogany Wasatch	3841'	
Wasatch	8204'	8220'	Channel sand		4181'	
Wasatch	8440'	8450'	Channel sand		6881'	
Wasatch	8458'	8474'	Channel sand			

CONFIDENTIAL



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

well file
RECEIVED

NOV 27 2002

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO
UT-922

November 27, 2002

Shenandoah Energy, Inc.
c/o UnitSource Incorporated
11184 Huron Street, Suite 16
Denver, Colorado 80234

Re: Initial Wasatch-Mesaverde Formation PA "A" 13676.
Initial Wasatch-Mesaverde Formation PA "B" 13677.
Initial Wasatch-Mesaverde Formation PA "C" 13678.
Initial Wasatch-Mesaverde Formation PA "D" 13679.
Stirrup Unit
Uintah County, Utah

Gentlemen:

The Initial Wasatch-Mesaverde Formation PA "A", Stirrup Unit, UTU80250A, is hereby approved effective as of December 1, 2002, pursuant to Section 10 of the Stirrup Unit Agreement, Uintah County, Utah. The Initial Wasatch-Mesaverde Formation Participating Area "A" results in an Initial Participating Area of 160.00 acres and is based upon the completion of Well No. 2W-9-8-21, API No. 43-047-33905, located in the NW¼ NE¼ of Section 9, Township 8 South, Range 21 East, SLM&B, Federal Unit Tract No. 3, Lease No. UTU0805, as being a well capable of producing unitized substances in paying quantities.

The Initial Wasatch-Mesaverde Formation PA "B", Stirrup Unit, UTU80250B, is hereby approved effective as of December 1, 2002, pursuant to Section 10 of the Stirrup Unit Agreement, Uintah County, Utah. The Initial Wasatch-Mesaverde Formation Participating Area "B" results in an Initial Participating Area of 160.56 acres and is based upon the completion of Well No. 2W-3-8-21, API No. 43-047-34207, located in the NW¼ NE¼ of Section 3, Township 8 South, Range 21 East, SLM&B, Federal Unit Tract No. 2, Lease No. UTU0802, as being a well capable of producing unitized substances in paying quantities.

The Initial Wasatch-Mesaverde Formation PA "C", Stirrup Unit, UTU80250C, is hereby approved effective as of December 1, 2002, pursuant to Section 10 of the Stirrup Unit Agreement, Uintah County, Utah. The Initial Wasatch-Mesaverde Formation Participating Area "C" results in an Initial Participating Area of 321.10 acres and is based upon the completion of Well No. 2W-2-8-21, API No. 43-047-34034, located in the NW¼ NE¼ of Section 2, Township 8 South, Range 21 East, SLM&B, Federal Unit Tract No. 19, State Lease ML-2785; Well No. 11W-36-7-21, API No. 43-047-34067, located in the NE¼ SW¼ of Section 36, Township 7 South, Range 21 East, SLM&B, Federal

Unit Tract No. 21, State Lease ML-47040; Well No. 13W-36-7-21, API No. 43-047-34100, located in the SW ¼ SW ¼ of Section 36, Township 7 South, Range 21 East, SLM&B, Federal Unit Tract No. 21, State Lease ML-47040, as being wells capable of producing unitized substances in paying quantities.

The Initial Wasatch-Mesaverde Formation PA "D", Stirrup Unit, UTU80250D, is hereby approved effective as of December 1, 2002, pursuant to Section 10 of the Stirrup Unit Agreement, Uintah County, Utah. The Initial Wasatch-Mesaverde Formation Participating Area "D" results in an Initial Participating Area of 160.00 acres and is based upon the completion of Well No. 7W-34-7-21, API No. 43-047-34380, located in the SW ¼ NE ¼ of Section 34, Township 7 South, Range 21 East, SLM&B, Federal Unit Tract No. 5, Lease No. UTU16551, as being a well capable of producing unitized substances in paying quantities.

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the establishment of the Initial Wasatch-Mesaverde Formation Participating Area "A", Initial Wasatch-Mesaverde Formation Participating Area "B", Initial Wasatch-Mesaverde Formation Participating Area "C" and Initial Wasatch-Mesaverde Formation Participating Area "D", Stirrup Unit, and their effective dates.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Minerals Adjudication Group w/exhibit b
Division of Oil, Gas & Mining
SITLA
Stirrup Unit w/enclosure
MMS - Data Management Division (Attn: Rose Davalos)
Field Manager - Vernal w/enclosure
Agr. Sec. Chron.
Fluid Chron.

UT922:TATHOMPSON:tt:11/27/02

May 28, 2003

Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801


Attention: John Baza/Jim Thompson

Gentlemen:

This will serve as notice that through the internal corporate changes described below, activities formerly conducted in the name of either Shenandoah Operating Company, LLC (SOC) and/or Shenandoah Energy, Inc. (SEI) will hereafter be conducted in the name of QEP Uinta Basin, Inc.: i) the Shenandoah entities were purchased in July, 2001 by Questar Market Resources, Inc., which is a mid-level holding company for the non-utility businesses of Questar Corporation, ii) Shenandoah Operating Company, LLC has now been merged into Shenandoah Energy, Inc. (SEI), iii) Shenandoah Energy, Inc. has now been re-named **QEP Uinta Basin, Inc.** pursuant to a State of Delaware Amended and Restated Certificate of Incorporation, iv) the same employees will continue to be responsible for operations of the former SOC and SEI properties, both in the field and in the office. Accordingly, the change involves only an internal corporate name change and no third party change of operator is involved. Please alter your records to reflect the entity name change. Attached is a spreadsheet listing all wells affected by this change.

Should you have any questions, please call me at 303 - 308-3056.

Yours truly,



Frank Nielsen
Division Landman

Enclosure

RECEIVED

JUN 02 2003

DIV. OF OIL, GAS & MINING

well_name	Sec	T	R	api	Entity	Lease Type	type	stat	
WV 2W-9-8-21	09	080S	210E	4304733905	13676	Federal	GW	P	
WV 2W-3-8-21	03	080S	210E	4304734207	13677	Federal	GW	P	
SU PURDY 7W-34-7-21	34	070S	210E	4304734380	13679	Federal	GW	S	C
WV 2W-2-8-21	02	080S	210E	4304734034	13678	State	GW	P	
WV 11W-36-7-21	36	070S	210E	4304734067	13678	State	GW	P	
WV 13W-36-7-21	36	070S	210E	4304734100	13678	State	GW	P	



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

June 9, 2003

QEP Uinta Basin, Inc.
1050 17th Street, Suite 500
Denver, Colorado 80265

Re: Stirrup Unit
Uintah County, Utah

Gentlemen:

On May 30, 2003, we received an indenture dated February 1, 2003, whereby Shenandoah Energy, Inc. changed its name and QEP Uinta Basin, Inc. was designated as Successor Unit Operator for the Stirrup Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective June 9, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under Stirrup Unit Agreement.

Your nationwide (Eastern States) oil and gas bond No. B000024 will be used to cover all operations within the Stirrup Unit.

It is requested that you notify all interested parties of the name change of unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
Minerals Adjudication Group
File – Stirrup Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:6/9/03

JUL 07 2003

3104 (932.34)WF
Nationwide Bond ESB000024

NOTICE

QEP Uinta Basin, Inc.
1050 17th Street Suite 500
Denver, Colorado 80265

:
: Oil and Gas
: lease
:

Name Change Recognized

Acceptable evidence has been filed in this office concerning the name change of Shenandoah Energy Incorporated into QEP Uinta Basin, Incorporated. QEP Uinta Basin, Incorporated is the surviving entity. This name change is recognized effective April 17, 2003.

Eastern States will notify the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice.

If you identify other leases in which the merging entity maintain an interest, please contact this office and we will appropriately document those files with a copy of this notice.

If you have any questions, please contact Bill Forbes at 703-440-1536.

S/ Wilbert B. Forbes

Wilbert B. Forbes
Land Law Examiner
Branch of Use Authorization
Division of Resources Planning,
Use and Protection

bc: JFO,MMS, ES RF, 930 RF, 932.34 RF, E-932: wbf:07 /07/03:440-1536/ QEP Uinta Basin
MFO

3. FILE

Designation of Agent/Operator

Merger

2/1/2003

FROM: (Old Operator):	TO: (New Operator):
N4235-Shenandoah Energy Inc 11002 E 17500 S Vernal, UT 84078-8526 Phone: (435) 781-4341	N2460-QEP Uinta Basin Inc 11002 E 17500 S Vernal, UT 84078-8526 Phone: (435) 781-4341

STIRRUP

[illegible]

5. If **NO**, the operator was contacted contacted on:

6. (R649-9-2) Waste Management Plan has been received on:

IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 7/21/2003

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 7/21/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 8/28/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/28/2003

3. Bond information entered in RBDMS on: n/a

4. Fee wells attached to bond in RBDMS on: n/a

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: 965-003-032

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: ESB000024

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: 799446

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 965-003-033

2. The **FORMER** operator has requested a release of liability from their bond on: n/a

The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

Change of Operator (Well Sold)

X - Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/1/2007

FROM: (Old Operator): N2460-QEP Uinta Basin, Inc. 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 672-6900	TO: (New Operator): N5085-Questar E&P Company 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 672-6900
---	--

WELL NAME	CA No.	SEC	TWN	RNG	Unit:	API NO	ENTITY NO	LEASE TYPE	STIRRUP UNIT	WELL TYPE	WELL STATUS
SEE ATTACHED LISTS						*					

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 4/19/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 4/16/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/31/2005
- Is the new operator registered in the State of Utah: Business Number: 764611-0143
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: n/a
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 4/23/2007 BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 4/23/2007
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 4/30/2007 and 5/15/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/30/2007 and 5/15/2007
- Bond information entered in RBDMS on: 4/30/2007 and 5/15/2007
- Fee/State wells attached to bond in RBDMS on: 4/30/2007 and 5/15/2007
- Injection Projects to new operator in RBDMS on: 4/30/2007 and 5/15/2007
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: ESB000024
- Indian well(s) covered by Bond Number: 799446
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 965003033
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS: THIS IS A COMPANY NAME CHANGE.

SOME WELL NAMES HAVE BEEN CHANGED AS REQUESTED

QEP Uinta Basin (N2460) to QUESTAR E and P (N5085)
STIRRUP UNIT

4/30/2007 and 5/15/2007

Original Well Name	Well Name & No.	Q/Q	SEC	TWP	RNG	API	Entity	Lease	Well Type	Status
LEOTA FED 1	LEOTA 1-34-2B	NENE	34	070S	210E	4304730879	5420	Federal	OW	P
WV 2W-9-8-21	WV 2W-9-8-21	NWNE	09	080S	210E	4304733905	13676	Federal	GW	P
WV 2W-3-8-21	WV 2W-3-8-21	NWNE	03	080S	210E	4304734207	13677	Federal	GW	P
SU PURDY 7W-34-7-21	SU PURDY 7W-34-7-21	SWNE	34	070S	210E	4304734380	13679	Federal	GW	S
SU PURDY 14M-30-7-22	SU PURDY 14M-30-7-22	SESW	30	070S	220E	4304734384	13750	Federal	GW	P
SU BW 6M-7-7-22	SU BW 6M-7-7-22	SESW	07	070S	220E	4304734837	13966	Federal	GW	P
SU 11MU-9-8-21	SU 11MU-9-8-21	NESW	09	080S	210E	4304735412	14143	Federal	GW	P
SU 8M-12-7-21	SU 8M-12-7-21	SENE	12	070S	210E	4304736096		Federal	GW	APD
SUBW 14M-7-7-22	SUBW 14M-7-7-22	SESW	07	070S	220E	4304736136	15734	Federal	GW	DRL
SU 16M-7-7-22	SU 16M-7-7-22	SESE	07	070S	220E	4304736137		Federal	GW	APD
SUBW 8M-7-7-22	SUBW 8M-7-7-22	SENE	07	070S	220E	4304736138		Federal	GW	APD
HB 14ML-9-7-22	TU 14-9-7-22	SESW	09	070S	220E	4304737345		Federal	GW	APD
WV 2W-2-8-21	WV 2W-2-8-21	NWNE	02	080S	210E	4304734034	13678	State	GW	P
WV 11W-36-7-21	WV 11W-36-7-21	NESW	36	070S	210E	4304734067	13678	State	GW	S
WV 5W-36-7-21	WV 5W-36-7-21	SWNW	36	070S	210E	4304734099	13807	State	GW	DRL
WV 13W-36-7-21	WV 13W-36-7-21	SWSW	36	070S	210E	4304734100	13678	State	GW	P

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	5. LEASE DESIGNATION AND SERIAL NUMBER: see attached
2. NAME OF OPERATOR: QUESTAR EXPLORATION AND PRODUCTION COMPANY	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: see attached
3. ADDRESS OF OPERATOR: 1050 17th Street Suite 500 CITY Denver STATE CO ZIP 80265	7. UNIT or CA AGREEMENT NAME: see attached
PHONE NUMBER: (303) 308-3068	8. WELL NAME and NUMBER: see attached
4. LOCATION OF WELL FOOTAGES AT SURFACE: attached	9. API NUMBER: attached
	10. FIELD AND POOL, OR WILDCAT:

FOOTAGES AT SURFACE: attached

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 1/1/2007	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Operator Name Change
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective January 1, 2007 operator of record, QEP Uinta Basin, Inc., will hereafter be known as QUESTAR EXPLORATION AND PRODUCTION COMPANY. This name change involves only an internal corporate name change and no third party change of operator is involved. The same employees will continue to be responsible for operations of the properties described on the attached list. All operations will continue to be covered by bond numbers:

Federal Bond Number: 965002976 (BLM Reference No. ESB000024)

Utah State Bond Number: 965003033

Fee Land Bond Number: 965003033

Current operator of record, QEP UINTA BASIN, INC., hereby resigns as operator of the properties as described on the attached list.

Jay B. Neese, Executive Vice President, QEP Uinta Basin, Inc.

Successor operator of record, QUESTAR EXPLORATION AND PRODUCTION COMPANY, hereby assumes all rights, duties and obligations as operator of the properties as described on the attached list

Jay B. Neese, Executive Vice President
Questar Exploration and Production Company

NAME (PLEASE PRINT) Debra K. Stanberry TITLE Supervisor, Regulatory Affairs
SIGNATURE DATE 3/16/2007

(This space for State use only)

RECEIVED

APR 19 2007

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
QUESTAR EXPLORATION AND PRODUCTION COMPANY

3. ADDRESS OF OPERATOR: 1050 17th Street Suite 500 Denver, CO 80265
PHONE NUMBER: (303) 308-3068

4. LOCATION OF WELL:

FOOTAGES AT SURFACE: attached

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
see attached

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
see attached

7. UNIT or CA AGREEMENT NAME:
see attached

8. WELL NAME and NUMBER:
see attached

9. API NUMBER:
attached

10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

1/1/2007

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: Well Name Changes

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

PER THE ATTACHED LIST OF WELLS, QUESTAR EXPLORATION AND PRODUCTION COMPANY REQUESTS THAT THE INDIVIDUAL WELL NAMES BE UPDATED IN YOUR RECORDS.

NAME (PLEASE PRINT) Debra K. Stanberry

TITLE Supervisor, Regulatory Affairs

SIGNATURE

DATE 4/17/2007

(This space for State use only)

RECEIVED

APR 19 2007

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
3180
UT-922

April 23, 2007

Questar Exploration and Production Company
1050 17th Street, Suite 500
Denver, Colorado 80265

Re: Stirrup Unit
Uintah County, Utah

Gentlemen:

On April 12, 2007, we received an indenture dated April 6, 2007, whereby QEP Uinta Basin, Inc. resigned as Unit Operator and Questar Exploration and Production Company was designated as Successor Unit Operator for the Stirrup Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective April 23, 2007. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Stirrup Unit Agreement.

Your nationwide oil and gas bond No. ESB000024 will be used to cover all federal operations within the Stirrup Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Greg J. Noble

Greg J. Noble
Acting Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
File - Stirrup Unit (w/enclosure)
Agr. Sec. Chron
Reading File
Central Files

UT922:TAThompson:tt:4/23/07

RECEIVED

APR 30 2007

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

March 5, 2008

CERTIFIED MAIL NO. 7004 2510 0004 1824 5421

Mr. Kirk Fleetwood
Questar Exploration & Production
11002 East 17500 South
Vernal, Utah 84078

43 047 34067
WV 11W-36-7-21
7S 21E 36

Re: Third Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Fee or State Leases.

Dear Mr. Fleetwood:

As of January 2008, Questar Exploration & Production has ten (10) State Mineral Lease Wells that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status (see attachment A). Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

In March 2004 the Division notified Questar by certified mail that the following 3 wells were in violation of R649-3-36:

- Toll Station ST 8-36-8-21 API 4304732724
- WV 9W-36-7-21 API 4304734066
- WV 7W-36-7-21 API 4304734065

Questar responded with plans to recomplete, convert to injector, or plug and abandon (P&A) these wells by November 2004. To date, nothing has been done on these wells.



March 5, 2008

Questar Third Notice of Extended Shut-in and Temporarily Abandoned Well Requirements

In December 2005, a Second Notice was sent from the DOGM office that reiterated the need for Questar to comply with R649-3-36. Questar was noticed that the following three additional wells were also now in violation of R649-3-36:

- WV 11W-36-7-21 API 4304734067
- OU GB 8W-16-8-22 API 4304734660
- RWU 324(23-16B) API 4304733084

Telephone conversations between Questar and DOGM concerning these additional 3 wells, including a letter response from Questar dated December 29, 2005, followed. The letter response stated wells WV 9W-36-7-21 and WV 7W-36-7-21 were under review and wells Toll Station ST 8-36-8-21, WV 11W-36-7-21, OU GB8W-16-8-22, and RWU 324(23-16B) were scheduled for recompletion or plugging. RWU 324 (23-16B) was noticed for P&A and approved for plugging in February 2006. The well is currently listed as "operation suspended" in our database. DOGM records show that nothing has been done on any of the six wells to bring them into compliance with R649-3-36.

DOGM feels sufficient time has passed to make a determination on these wells. Please submit your plans to produce or plug these wells to DOGM within 30 days of this notice or a Notice of Violation (NOV) will be issued. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

In addition to the six wells listed above, the following four additional wells are now also in violation of R649-3-36:

- WV 16W-2-8-21 API 4304733645
- OU GB 15G-16-8-22 API 4304734829
- RW 01-36BG API 4304736887
- HR 10MU-2-12-23 API 4304738055

This letter will serve as a first notice for these wells. Questar can put these wells back on production, plug the wells or request extended SI/TA. For extended SI/TA consideration, the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence/or absence of Underground Sources of Drinking Water, and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

March 5, 2008

Questar Third Notice of Extended Shut-in and Temporarily Abandoned Well Requirements

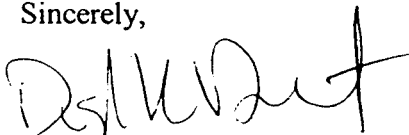
Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA.

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

Additionally, DOGM has not received Sundry notice of testing on well HR 10MU-2-12-23 (API 4304738055) completed in January 2007.

Please respond with your plans for all wells referenced in this letter. If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

js

Attachment

cc: Well File
Operator Compliance File
Jim Davis, SITLA

ATTACHMENT A

	Well Name	API	Lease Type	Years/Months Inactive
1	TOLL STATION ST 8-36-8-21	4304732724	ML-22051	11 years 7months
2	RW 23-16B	4304733084	ML-3037	7 years 4 months
3	WV 16W-2-8-21	4304733645	ML-2785	2 years 3 months
4	WV 7W-36-7-21	4304734065	ML-47040	6 years 2 months
5	WV 9W-36-7-21	4304734066	ML-47040	6 years 3 months
6	WV 11W-36-7-21	4304734067	ML-47040	2 years 8 months
7	OU GB 8W-16-8-22	4304734660	ML-22049	4 years 9 months
8	OU GB 15G-16-8-22	4304734829	ML-22049	3 years 3 months
9	RW 01-36BG	4304736887	UTO-0566-ST	1 years 2 months
10	HR 10MU-2-12-23	4304738055	ML-50193	1 year 1 month

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS****Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.****SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. ML 47040
2. Name of Operator Questar Exploration and Production Inc.		6. If Indian, Allottee or Tribe Name N/A
3a. Address 11002 E. 17500 S. VERNAL, UT 84078-8526	3b. Phone No. (include area code) 435-781-4319	7. If Unit or CA/Agreement, Name and/or No. Wonsits Valley
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2172' FNL, 2210' FWL, NESW, SECTION 36, T7S, R21E, SLBM		8. Well Name and No. WV 11W-36-7-21
		9. API Well No. 43-047-34067
		10. Field and Pool, or Exploratory Area Wonsits Valley
		11. County or Parish, State Uintah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Questar requests that this well is put into TA status until we know the results from the recompleat of the WV 9W-36-7-21. This well will be recompleat or plugged and abandoned based on the results from the WV 9W-36-7-21.

COPY SENT TO OPERATOR

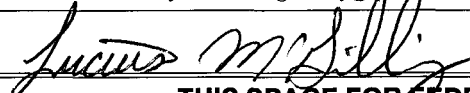
Date: 10.14.2008Initials: KS

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Lucius McGillivray lucius.mcgillivray@questar.com

Title Associate Petroleum Engineer


Signature



Date

10/2/08**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by



Title

Pet. Eng.

Date

10/7/08

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

DOG M

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

*Valid Through 1/1/2009 only**RECEIVED****OCT 06 2008**

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 9, 2009

CERTIFIED MAIL NO. : 7004 1160 0003 0190 2969

Lucius McGilviry
Questar Exploration & Production
11002 East 17500 South
Vernal, Utah 84078

43 0A7 34067
7S 21E 36

Subject: Notices of Violation dated 9/29/2008 & 2/11/2009

Dear Mr. McGilviry:

A Notice of Violation (NOV) for the Toll Station St 8-36-8-21, WV 7W-36-7-21, WV 9W-36-7-21, WV 11W-36-7-21 and OU GB 8W-16-8-22 wells was issued to Questar Exploration & Production (QEP) by the Utah Division of Oil, Gas & Mining on September 29, 2008. The NOV was sent certified mail and signed for by Mandie Brasfield. The compliance deadline for the NOV was November 1, 2008. To date QEP has not taken the corrective action required by the NOV.

A Notice of Violation for the OU GB 15G-16-8-22, WVFU 16W-2-8-21 and HR 10 MU-2-12-23 wells was issued to Questar Exploration & Production (QEP) by the Utah Division of Oil, Gas & Mining (the "Division") on February 11, 2009. The NOV was sent certified mail and signed for by Amber McDonald. The compliance deadline for the NOV was April 1, 2009. To date QEP has not taken the corrective action required by the NOV.

The Division respectfully requests QEP contact Clinton Dworshak (801-538-5280) within fifteen (15) days of receipt of this letter to set a date and time to meet with the Division to discuss how to best resolve the compliance problems sited in the above-mentioned Notices of Violation.



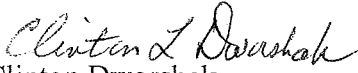
Page 2

QEP Notices of Violation dated 9/29/2008 & 2/11/2009

June 9, 2009

Failure to comply with this Division request may result in further actions against QEP. Further actions may include initiation of agency actions ordering full cost bonding (R649-3-1.4), bond forfeiture (R649-3-36), plugging and abandonment of wells (R649-3-36), and/or formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641.

Sincerely,


Clinton Dworshak
Enforcement Manager

CLD/js

Enclosure

cc: Gil Hunt

Dustin Doucet

Well Files

Compliance File

SITLA

N:\O&G Reviewed Docs\ChronFile\Compliance

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: Questar Exploration & Production

Well(s) or Site(s): 1.) <u>TOLL STATION ST 8-36-8-21</u>	API #: <u>43-047-32724</u>
2.) <u>WV 7W-36-7-21</u>	<u>43-047-34065</u>
3.) <u>WV 9W-36-7-21</u>	<u>43-047-34066</u>
4.) <u>RW 23-16B</u>	<u>43-047-33084</u>
5.) <u>WV 11W-36-7-21</u>	<u>43-047-34087</u>
6.) <u>OU GB 8W-16-8-22</u>	<u>43-047-34660</u>

Date and Time of Inspection/Violation: August 5, 2008

Mailing Address: Attn: Lucius McGilvry

11002 East 17500 South

Vernal, UT 84078

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells -- The above referenced wells have been Shut-in or Temporarily Abandoned (SI/TA) over 5 years. According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Questar Exploration & Production (Questar) requesting this information. Wells 1 through 3 (listed above) had a first notice sent out via certified mail on March 19, 2004. A follow-up letter was sent out, dated July 21, 2004, on behalf of a response received from Questar. It was, at that time, understood by the Division that Questar intended to re-complete, convert to injection or plug and abandon these wells. An extension of SI/TA status was then issued valid until November 15, 2004. Wells 4 through 6 (listed above) were addressed via phone conversations as well as a response from Questar dated December 29, 2005. In this, Questar stated these wells were scheduled for recompletion or plugging. After substantial time had passed without any action on any of the six wells listed, a third notice dated March 5, 2008, was sent addressing all previous communications as well as stating that our records show nothing having been done to move these wells into compliance. Phone conversations were also held with Mr. McGilvry on April 22, 2008 concerning plans to submit required information within a two-week time frame. To date, the required information has not been submitted to the Division nor has action to PA or re-complete the wells been initiated.

Action: For the well subject to this notice, Questar shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

Questar Exploration & Production


August 5, 2008 Notice of Violation

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: November 1, 2008

Date of Service Mailing: September 29, 2008

CERTIFIED MAIL NO: 7004 2510 0004 1824 6411



Division's Representative

Operator or Representative

(If presented in person)

6/2005

7004 2510 0004 1824 6411

U.S. Postal Service	
CERTIFIED MAIL[®] RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
Postage \$	9/29/08
Certified Fee	Postmark
Return Receipt Fee (Endorsement Required)	Vera
Restricted Delivery Fee (Endorsement Required)	
Total Postage	MR LUCIUS MCGILVIRY
Send To	QUESTAR E & P
Street, Apt or PO Box	11002 E 17500 S
City, State	VERNAL UT 84078
PS Form 3811, February 2004 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Manda B. [Signature] <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) Manda B. [Signature] C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>MR LUCIUS MCGILVIRY QUESTAR E & P 11002 E 17500 S VERNAL UT 84078</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p> <p>7004 2510 0004 1824 6411</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: QUESTAR EXPLORATION AND PRODUCTION

Well(s) or Site(s): 1.) <u>OU GB 15G-16-8-22</u>	API #: <u>43-047-34829</u>
2.) <u>WVFU 16W-2-8-21</u>	<u>43-047-33645</u>
3.) <u>HR 10MU-2-12-23</u>	<u>43-047-38055</u>

Date and Time of Inspection/Violation: January 28, 2009

Mailing Address: Attn: Lucius McGilvry

11002 East 17500 South

Vernal, UT 84078

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells -According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Questar Exploration and Production (Questar) requesting required documents and action per R649-3-36. On March 5, 2008, the Division notified you by certified mail that the above wells required filing for an extension or a Sundry Notice for plugging and abandonment. On April 22, 2008, it was understood from a phone conversation that plans to PA these wells would be submitted within a two week time frame. A second notice was sent out via certified mail on September 29, 2008 again addressing these wells non-compliance issues. To date our records show nothing has been done to move the wells out of violation status.

Action: For the wells subject to this notice, Questar shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

Questar Exploration and Production

January 28, 2009

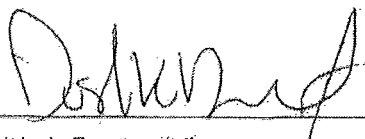
Notice of Violation

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: April 1, 2009

Date of Service Mailing: February 11, 2009

CERTIFIED MAIL NO: 7004 2510 0004 1824 6862



Division's Representative

Operator or Representative

(If presented in person)

cc: Well Files
Operator Compliance File

6/2005

7004 2510 0004 1824 6862

U.S. Postal Service
CERTIFIED MAILTM RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total	

2/11/09

Postmark
Here

Sent by	LUCIUS MCGILVIRY
Street or PO	QUESTAR E & P
City	11002 E 17500 S
	VERNAL HT 84078

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION


- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LUCIUS MCGILVIRY
 QUESTAR E & P
 11002 E 17500 S
 VERNAL HT 84078

2. Article Number
 (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature 	
B. Received by (Printed Name)	C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7004 2510 0004 1824 6862

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPO
Permit No. 9-10

• Sender: Please print your name, address, and ZIP+4 in this box •

JEAN SWEET
UTAH DIVISION OF OIL GAS & MINING
PO BOX 145801
SALT LAKE CITY UT 84114-5801

RECEIVED

FEB 18 2009

DIV. OF OIL, GAS & MINING

PS Form 3800, June 2002
LUCIUS MC
QUESTAR E
11002 E 1750
VERNA 117

Postage
Certified Fee
Return Receipt Fee
(Endorsement Required)
Restricted Delivery Fee
(Endorsement Required)

7004 2510 0004 1824 6862

OFFICIAL USE

U.S. Postal ServiceTM
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FURAI

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47040
2. NAME OF OPERATOR: QUESTAR EXPLORATION AND PRODUCTION COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FNL 2210' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 7S 21E		8. WELL NAME and NUMBER: WV 11W-36-7-21
PHONE NUMBER: (435) 781-4319		9. API NUMBER: 4304734067
		10. FIELD AND POOL, OR WILDCAT: WONSITS VALLEY
		COUNTY: UINTAH
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Questar E&P Company requests approval to plug and abandon this well as follows:

1. Set CICR @ 7750'
2. Stab into retainer and squeeze 70 sx cement, unstab and dump 16 sx on top of retainer
3. Fill hole with minimum 9 ppg fluid
4. Balance a 20 sack plug from 3966'-3716'
5. Perforate production casing @ 520', establish circulation to surface
6. Pump approximately 210 sacks down production casing through perforations and up annulus until good cement at surface
7. Cut off wellhead, weld on plate

Work will start after Questar receives partner approval, UDOGM approval and equipment is available.

COPY SENT TO OPERATOR

Date: 8.6.2009

Initials: KS

NAME (PLEASE PRINT) Lucius McGillivray	TITLE Associate Petroleum Engineer
SIGNATURE <i>Lucius McGillivray</i>	DATE 7/6/2009

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 8/13/09

BY: *[Signature]* (See Instructions on Reverse Side)
*See conditions of Approval (Attached)

(5/2000)

RECEIVED

JUL 09 2009

DIV. OF OIL, GAS & MINING

FIELD: Undesignated		GL: 5,217 ' KBE: 5,231 '	Start Date: 12/21/2001 Finish Date: 01/10/2002																																
Well: WV #11W-36-7-21		TD: 8,900 ' PBTD: 8,606 '	Current Well Status: Producing Gas Well																																
Location: NE¼SW¼ S36-T7S-R21E Uintah County, Utah		API #: 43-047-34067 Lease #: ML-47040																																	
<div>Wellbore Schematic</div> <div><div><div>Surface casing Size: 9 5/8" Weight 36# Grade: K-55 Cmtd w/ 175 sxs Hole size: 12 1/4" Set @ 462'</div><div><div>EXCLUDED PERFS</div><div>TOC @ 2430 ' OPEN PERFS</div></div><div><div>7806'-7830' Wasatch</div><div>8204'-8220' Wasatch</div><div>F Nipple @ 8360 ' EOT @ 8391 ' 8440'-8450' Wasatch 8458'-8474' Wasatch</div><div><div>PBTD @ 8606 ' TD @ 8900 '</div></div></div></div><div><div>Production Casing Size: 4 1/2" Weight 11.6#, M-80 & J-55 Cmtd w/ 1900 sxs Hole size 7 7/8" Set @ 8692'</div></div></div>		<div>Reason for Pull/Workover: NEW WASATCH COMPLETION</div> <div>Tubing Landing Detail:<table><thead><tr><th>Description</th><th>Size</th><th>Footage</th><th>Depth</th></tr></thead><tbody><tr><td>KB to Tbg Head</td><td></td><td>14.00</td><td>14.00</td></tr><tr><td>Hanger</td><td></td><td>0.73</td><td>14.73</td></tr><tr><td>267 jts - 2 3/8" J-55 tubing</td><td>2 3/8"</td><td>8,343.90</td><td>8,358.63</td></tr><tr><td>F Nipple (1.81" ID)</td><td>2 3/8"</td><td>0.91</td><td>8,359.54</td></tr><tr><td>1 jts - 2 3/8" J-55 tubing</td><td>2 3/8"</td><td>31.30</td><td>8,390.84</td></tr><tr><td></td><td></td><td></td><td>8,390.84</td></tr><tr><td>EOT @</td><td></td><td></td><td>8,390.84</td></tr></tbody></table><div>TUBING INFORMATION Condition: New: <input checked="" type="checkbox"/> Used: <input type="checkbox"/> Rerun: <input type="checkbox"/> Grade: <u>J-55</u> Weight (#/ft): <u>4.7</u> Wellhead Detail: 7 1/16" 2000# <input type="checkbox"/> 7 1/16" 3000# <input type="checkbox"/> 7 1/16" 5000# <input type="checkbox"/> Other: <input type="checkbox"/> Hanger: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></div><div>SUMMARY Initial Completion: 12/21/2001 - 01/10/2002 Ran CBL/VDL logs. Perf 8458'-8474', 8440'-8450'. Frac w/ Delta Frac 200 containing 165,000# 20/40 sand in 65,400 gals at ATR = 32 BPM, ATP = 1750 psig, ISIP= 1700. Perf 8204'-8220'. Frac w/ Delta Frac 200 containing 50,000# 20/40 sand in 24,100 gals at ATR = 23 BPM, ATP = 1500 psig, ISIP= 1750. Perf 7806'-7830'. Frac w/ Delta Frac 200 containing 71,100# 20/40 sand in 29,400 gals at ATR = 18 BPM, ATP = 1500 psig, ISIP= 1720. ONSICP = n/a psig. C/O to PBTD @ 8606'. Land prod tubing w/ EOT @ 8391'. Kickoff well, test on a 32/64" with FTP= 100 psig, SICP= 600 psig. TWOTP. JPF (01/17/02) 162 Mcfpd, 3 BCPD, 36 BWPD on 48/64" choke w/ FTP= 308 psig, SICP= 680 psig. First production on 01/12/2002.</div></div>		Description	Size	Footage	Depth	KB to Tbg Head		14.00	14.00	Hanger		0.73	14.73	267 jts - 2 3/8" J-55 tubing	2 3/8"	8,343.90	8,358.63	F Nipple (1.81" ID)	2 3/8"	0.91	8,359.54	1 jts - 2 3/8" J-55 tubing	2 3/8"	31.30	8,390.84				8,390.84	EOT @			8,390.84
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Prepared By: J.T. Conley		Date: 04/15/02																																	



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: WV 11W-36-7-21
API Number: 43-047-34067
Operator: Questar Exploration & Production Co.
Reference Document: Original Sundry Notice dated July 6, 2009,
received by DOGM on July 9, 2009.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. All annuli shall be cemented from a minimum depth of 100' to the surface.
3. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
4. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
5. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
6. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

August 3, 2009

Date



API Well No: 43-047-34067-00-00

Permit No:

Well Name/No: WV 11W-36-7-21

Company Name: QUESTAR EXPLORATION & PRODUCTION CO

Location: Sec: 36 T: 7S R: 21E Spot: NESW

Coordinates: X: 627368 Y: 4447114

Field Name: WONSITS VALLEY

County Name: UTAH

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (f/cf)
HOL1	462	12.25			
SURF	462	9.625	36	462	
HOL2	8692	7.875			
PROD	8692	4.5	11.6	8692	11.459
T1	8391	2.375			
$7\frac{7}{8}" \times 4\frac{1}{2}" (108)$					3.346
$9\frac{5}{8}" \times 4\frac{1}{2}"$					3.090

Cement from 462 ft. to surface

Surface: 9.625 in. @ 462 ft.

Hole: 12.25 in. @ 462 ft.

Plug # 3

$$\text{Bot } 58' / (1.15)(3.346) = 155x$$

$$462' / (1.15)(3.090) = 1305x$$

$$\text{TW } 520' / (1.15)(11.459) = 405x$$

$$1855x$$

Propose 2105x

OK

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	8692	2430	UK	1900
SURF	462	0	UK	175

TOC
2430'3700'
BMSW
3841'
GRRV

3716'

3966'

Plug # 2

$$(205x)(1.15)(11.459) = 263'$$

$$263'$$

$$\text{TOC} = 3703'$$

OK

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
7806	8474			

6881'
WSTCH

7539'

Plug # 1

$$\text{Below } (705x)(1.15)(11.459) = 922'$$

$$\text{Above } (165x)(1.15)(11.459) = 210' \text{ BOC } 8672'$$

Cement from 8692 ft. to 2430 ft.

Tubing: 2.375 in. @ 8391 ft.

Production: 4.5 in. @ 8692 ft.

Hole: 7.875 in. @ 8692 ft.

Hole: Unknown

Formation Information

Formation	Depth
BMSW	3700
GRRV	3841
MHGBN	4181
WSTCH	6881

TD: 8900 TVD: PBD: 8606



Questar Exploration and Production Company

11002 East 17500 South

Vernal, UT 84078

Tel 435 789 4300 · Fax 435 781 4329

July 8, 2009

Mr Clinton Dworshak
Enforcement Officer
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Subject: Notices of Violation dated 9/29/2008 & 2/11/2009 and Second Notice Letter dated 5/04/2009

Dear Mr Dworshak:

A conference call was held on July 7, 2009 with the following participants to discuss the non-compliance issues listed in the subject correspondence:

Dustin Doucet,	Division of Oil, Gas and Mining (DOGM)
Clinton Dworshak	DOGM
Joshua Payne	DOGM
Kirk Fleetwood	Questar Exploration and Production Company (QEP)
Lucius McGillivray	QEP
Rick Canterbury	QEP

The following is the proposed action for each well and timeframe as discussed in the call:

WV 7W-36-7-21
WV 9W-36-7-21
WV 11W-36-7-21

A Sundry Notice of Intent to abandon has been submitted for each well. These wells will be plugged in the late summer (August or September, 2009).

Toll Station 8-36-8-21

We have approval from the State of Utah and will plug this well in the late summer (August or September, 2009).

OUGB 8W-16-8-22

A Sundry Notice to recomplate this well is being submitted to your office and the recompletion will be initiated 30 to 60 days after approved.

OUGB 15G-16-8-22

This well will be returned to production within the next 30 days.

WVFU 16W-2-8-21

A Sundry Notice to recomplate this well has been approved and is planned for late summer.

RECEIVED

JUL 13 2009

DIV. OF OIL, GAS & MINING

July 8, 2009

HR10 MU 2-12-23

It is not economic to place this well on production under the current market conditions. We are submitting a Sundry Notice requesting shut in status. A mechanical integrity test will be performed within the next 30 days and the Division of Oil, Gas and Mining will be notified prior to the tests. Results will be submitted to your office.

GB 4SG-36-8-21

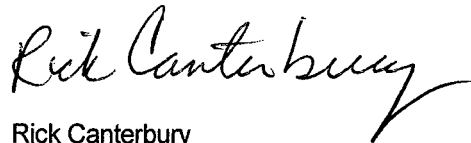
GB 7SG-36-8-21

We are submitting a Sundry Notice requesting shut in status for both wells. There are shallower zones with production potential but a recompletion and testing program is not economic at this time, given the current natural gas market conditions.

A mechanical integrity test will be performed within the next 30 days and the Division of Oil, Gas and Mining will be notified prior to the test. Results will be submitted to your office.

Enclosed are the sundry notices submitted for the mechanical integrity tests. The remainder of sundries have been or will be submitted within the next week.

Sincerely,

A handwritten signature in black ink, reading "Rick Canterbury". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Rick Canterbury
Regulatory Affairs

Enclosures



Questar Exploration and Production Company

11002 East 17500 South

Vernal, UT 84078

Tel 435 789 4300 · Fax 435 781 4329

July 8, 2009

Mr Clinton Dworshak
Enforcement Officer
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
P.O. Box 145801
Salt Lake City, Utah 84114-5801

43 047 34067
7S 21E 36

Subject: Notices of Violation dated 9/29/2008 & 2/11/2009 and Second Notice Letter dated 5/04/2009

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Clinton Dworshak	DOGM
Joshua Payne	DOGM
Kirk Fleetwood	Questar Exploration and Production Company (QEP)
Lucius McGillivray	QEP
Rick Canterbury	QEP

The following is the proposed action for each well and timeframe as discussed in the call:

WV 7W-36-7-21 → 43-047-34065
WV 9W-36-7-21 → 43-047-34066
→ WV 11W-36-7-21 → 43-047-34067

A Sundry Notice of Intent to abandon has been submitted for each well. These wells will be plugged in the late summer (August or September, 2009).

Toll Station 8-36-8-21 → 43-047-32724

We have approval from the State of Utah and will plug this well in the late summer (August or September, 2009).

OUGB 8W-16-8-22 → 43-047-34660

A Sundry Notice to recomplete this well is being submitted to your office and the recompletion will be initiated 30 to 60 days after approved.

OUGB 15G-16-8-22 → 43-047-34829

This well will be returned to production within the next 30 days.

WVFU 16W-2-8-21 → 43-047-33645

A Sundry Notice to recomplete this well has been approved and is planned for late summer.

RECEIVED

JUL 13 2009

DIV. OF OIL, GAS & MINING

July 8, 2009

HR10 MU 2-12-23 → 43-047-38055

It is not economic to place this well on production under the current market conditions. We are submitting a Sundry Notice requesting shut in status. A mechanical integrity test will be performed within the next 30 days and the Division of Oil, Gas and Mining will be notified prior to the tests. Results will be submitted to your office.

GB 4SG-36-8-21 → 43-047-38764

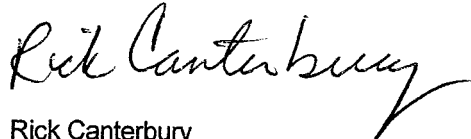
GB 7SG-36-8-21 → 43-047-38765

We are submitting a Sundry Notice requesting shut in status for both wells. There are shallower zones with production potential but a recompletion and testing program is not economic at this time, given the current natural gas market conditions.

A mechanical integrity test will be performed within the next 30 days and the Division of Oil, Gas and Mining will be notified prior to the test. Results will be submitted to your office.

Enclosed are the sundry notices submitted for the mechanical integrity tests. The remainder of sundries have been or will be submitted within the next week.

Sincerely,

A handwritten signature in black ink that reads "Rick Canterbury". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Rick Canterbury
Regulatory Affairs

Enclosures

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47040
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: QUESTAR EXPLORATION & PRODUCTION CO		7. UNIT or CA AGREEMENT NAME: JOHNSON BOTTOM
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, UT, 84078		8. WELL NAME and NUMBER: WV 11W-36-7-21
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172 FSL 2210 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 36 Township: 07.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047340670000
PHONE NUMBER: 435 781-4362 Ext		9. FIELD and POOL or WILDCAT: WONSITS VALLEY
COUNTY: UTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/23/2009	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> ALTER CASING	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> FRACTURE TREAT	
	<input checked="" type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR	
	<input type="checkbox"/> CHANGE WELL NAME	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> APD EXTENSION	
	OTHER:	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
Questar Exploration and Production Company reports the following work to plug and abandon has occurred on December 23, 2009 as follows: 1. Set Accepted by the CICR @ 7750', pumped 70 sacks under and 20 sacks on top 2. Balance a 25 Utah Division of sack plug @ 3969' 3. RU wireline and perforate @ 520', break circulation Oil, Gas and Mining Pump 220 sacks down production casing until good cement at surface FOR RECORD ONLY on plate GPS Corrdinates: 40.166396 N 109.504983 W UDOGM January 07, 2010 representative on location: Dave Hackford		
NAME (PLEASE PRINT) Jan Nelson	PHONE NUMBER 435 781-4331	TITLE Permit Agent
SIGNATURE N/A	DATE 1/6/2010	

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
CDW

Change of Operator (Well Sold)

X - Operator Name Change

The operator of the well(s) listed below has changed, effective:

6/14/2010

FROM: (Old Operator): N5085-Questar Exploration and Production Company 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 308-3048	TO: (New Operator): N3700-QEP Energy Company 1050 17th St, Suite 500 Denver, CO 80265 Phone: 1 (303) 308-3048
--	---

CA No.				Unit:		JOHNSON BOTTOM		
WELL NAME	SEC TWN RNG			API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/28/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/28/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/24/2010
- a. Is the new operator registered in the State of Utah: Business Number: 764611-0143
- a. (R649-9-2) Waste Management Plan has been received on: Requested
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 8/16/2010 BIA not yet
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 8/16/2010
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 6/29/2010

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 6/30/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 6/30/2010
- Bond information entered in RBDMS on: 6/30/2010
- Fee/State wells attached to bond in RBDMS on: 6/30/2010
- Injection Projects to new operator in RBDMS on: 6/30/2010
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: ESB000024
- Indian well(s) covered by Bond Number: 965010693
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 965010695
- b. The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER See attached
2. NAME OF OPERATOR: Questar Exploration and Production Company <i>N5085</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: See attached
3. ADDRESS OF OPERATOR: 1050 17th Street, Suite 500 CITY Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME: See attached
4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached		8. WELL NAME and NUMBER: See attached
PHONE NUMBER: (303) 672-6900		9. API NUMBER: Attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: See attached
COUNTY: Attached		STATE: UTAH

11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>6/14/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Operator Name
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	Change

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective June 14, 2010 Questar Exploration and Production Company changed its name to QEP Energy Company. This name change involves only an internal corporate name change and no third party change of operator is involved. The same employees will continue to be responsible for operations of the properties described on the attached list. All operations will continue to be covered by bond numbers:

Federal Bond Number: 965002976 (BLM Reference No. ESB000024)

Utah State Bond Number: ~~965003033~~

Fee Land Bond Number: ~~965003033~~

BIA Bond Number: ~~799446~~ 965010693

N3700

The attached document is an all inclusive list of the wells operated by Questar Exploration and Production Company. As of June 14, 2010 QEP Energy Company assumes all rights, duties and obligations as operator of the properties as described on the list

NAME (PLEASE PRINT) <u>Morgan Anderson</u>	TITLE <u>Regulatory Affairs Analyst</u>
SIGNATURE <i>Morgan Anderson</i>	DATE <u>6/23/2010</u>

(This space for State use only)

RECEIVED

JUN 28 2010

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

APPROVED 6/13/2009

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

Questar Exploration Production Company (N5085) to QEP Energy Company (N3700)
JOHNSON BOTTOM
effective June 14, 2010

well_name	sec	twp	rng	api	entity	mineral lease	type	stat	C
LEOTA 1-34-2B	34	070S	210E	4304730879	5420	Federal	OW	P	
WV 7W-36-7-21	36	070S	210E	4304734065	13334	State	D	PA	
WV 9W-36-7-21	36	070S	210E	4304734066	13331	State	D	PA	
WV 11W-36-7-21	36	070S	210E	4304734067	13678	State	GW	PA	
WV 5W-36-7-21	36	070S	210E	4304734099	13807	State	GW	OPS	C
WV 13W-36-7-21	36	070S	210E	4304734100	13678	State	GW	P	
SU PURDY 7W-34-7-21	34	070S	210E	4304734380	13679	Federal	GW	P	
BBE 15G-16-7-21	16	070S	210E	4304735408	14070	State	OW	P	
BBS 15G-22-7-21	22	070S	210E	4304737443	15688	Federal	OW	P	C
TU 3-35-7-21	35	070S	210E	4304738995	16512	Federal	GW	P	
SU PURDY 3M-25-7-21	25	070S	210E	4304739179		Federal	OW	APD	C
JB 4G-27-7-21	27	070S	210E	4304739180		Federal	OW	APD	C
SU PURDY 10G-27-7-21	27	070S	210E	4304739181		Federal	OW	APD	C
JB 8G-21-7-21	21	070S	210E	4304740613	17595	Federal	OW	DRL	C
JB 12G-27-7-21	27	070S	210E	4304740614		Federal	OW	APD	C
JB 1G-28-7-21	28	070S	210E	4304740615		Federal	OW	APD	C
JB 15G-34-7-21	34	070S	210E	4304740616		Federal	OW	APD	C

Bonds: BLM = ESB000024
BIA = 956010693
State = 965010695



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:
3100
(UT-922)

JUL 28 2010

Memorandum

To: Vernal Field Office, Price Field Office, Moab Field Office
From: Chief, Branch of Minerals *Roger L Bankert*
Subject: Name Change Recognized

Attached is a copy of the Certificate of Name Change issued by the Texas Secretary of State and a decision letter recognizing the name change from the Eastern States Office. We have updated our records to reflect the name change in the attached list of leases.

The name change from **Questar Exploration and Production Company** into **QEP Energy Company** is effective June 8, 2010.

cc: MMS
UDOGM

RECEIVED

AUG 16 2010

DIV. OF OIL, GAS & MINERALS